

Major Works Payment Options for Leaseholders 2023

Working together to help you
afford major works to your home



**Housing
Management**



THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA



Paying for major works

Every building needs major works carried out to it now and then to ensure it is properly maintained and retains its value.

As we improve our properties and these works are carried out, under the terms of your lease you will be charged with a proportion of the cost. The work can be costly and the unwelcome charges difficult to pay as a single sum without causing financial hardship. For this reason, the Council has worked with leaseholders to agree payment options we hope will ease your financial burden. This leaflet sets out how the Council can assist in minimising the financial hardship for you.

To discuss any aspect of the following options in further detail, please contact our Home Ownership Team on **020 7605 6464** or **hm-homeownership@rbkc.gov.uk**

For the full policy, please visit **www.rbkc.gov.uk/housing/repairs-and-major-works/major-works/payment-options-major-works**

Payment options summary

The information below summarises the current payment options available to leaseholders to help them pay for invoices raised in respect of major works carried out on their properties.

RESIDENT LEASEHOLDERS

(if the property to which the major works invoice relates is your only home)

- The minimum monthly payment amount is £50
- You are able to pay your invoice interest free over 5 years
- If the value of the invoice is **£10,000 or more**, you can spread your payments over a period of ten years. You will only pay interest* from years 6-10.
- If the value of the invoice is **£40,000 or more**, you can spread your payments over a maximum period of 20 years. You will only pay interest* from years 11-20.
- The Council has capped the maximum monthly payment it will ask you to pay for major works invoices at £500. This effectively means the repayment period for higher value invoices will be longer than the 10 and 20-year terms.

NON-RESIDENT LEASEHOLDERS

(if you do not live in the property to which the major works invoice relates)

- Payments for major works invoices for **less than £40,000** can be spread over two years, interest free.
- Payments for major works invoices that **exceed £40,000**, can be spread over three years, with the first two years being interest free. You will only pay interest* for the entirety of the third year.

The following conditions apply to both Resident and Non-resident Leaseholders

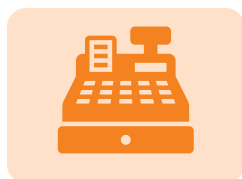
- If you pay your invoice in full within 12 weeks of the invoice date, you will be entitled to a 5 per cent 'prompt payment' discount.
- Please note council policy requires that you agree to a voluntary charge on your property if your invoice is **£15,000 or more** and you take up a payment plan option. The voluntary charge will not apply if your invoice is paid in full. Please note there is an arrangement fee of £240. This figure will be reviewed annually. When the invoice has been fully paid, you will need to pay the same fee to remove the Council's charge.
- We have a **flexible approach to overpayments**, so if you're able to, you can pay lump sums towards your invoice in addition to your monthly payments without penalty whenever you wish.
- All monthly payments must be made by direct debit.

***Where applicable, interest will be charged at the Bank of England base rate plus one per cent. This charge will be reviewed annually.**

How will I be invoiced?

We will consult you before any work is carried out and tell you how much we estimate you will be asked to contribute towards the work. This estimate is based on the tender we select from the options submitted.

We will only invoice you once the work has been completed.



To ensure the final invoice is in line with what you were expecting, based on the estimated costs, we will not issue a final account invoice that is more than 20 per cent greater than the estimate provided when we consulted you on the works.



Ways to pay

Whichever method you choose to pay, you will need to quote your 11-digit payment reference number. You can find this on your invoice.

- ▶ **Online** – make one-off payments on our website www.rbkc.gov.uk/hmpayments.
- ▶ **Over the phone** – use your debit or credit card to make a one-off payment over the phone, by calling **0203 974 4670** and selecting option **6**.
- ▶ **Direct debit monthly payments** – set up monthly payments to leave your bank account so you don't need to think about it. This can be set up over the phone by calling **020 7605 6464**.
- ▶ **Via internet banking** – using the Council's sort code: **57-20-40** and account number: **00000000**.
- ▶ **By cheque** – make your cheque payable to “Royal Borough of Kensington and Chelsea” and put your **11-digit** payment reference number on the back of the cheque.

Contact us on **020 7605 6464** or email hm-homeownership@rbkc.gov.uk

Help and support

If you receive certain benefits, or are on a low income, you might be eligible for help with the cost of major works or help to pay interest on the amount you borrow to make a payment. You will need to talk to the Department for Work and Pensions to see if you are eligible.

If you are struggling to pay for major works to your building, please let us know as soon as possible. We are here to help and can give you more information about the options available and discuss solutions. This could include securing a charging order against your property, extending your mortgage at a better interest rate, applying to a bank or building society for a loan, or signing up for an equity release scheme.

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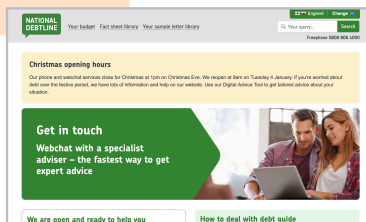
Please note that major works costs are a part of your service charges as defined in your lease. **Failure to pay service charges will be breaking the conditions of your lease.**

Struggling with debt?

If you are having problems with debt, lots of organisations provide advice and information packs that can help with this. For example:

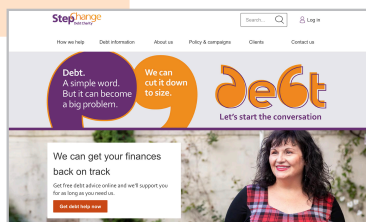
National Debtline

- ▶ To download a pack from National Debtline, visit www.nationaldebtline.org



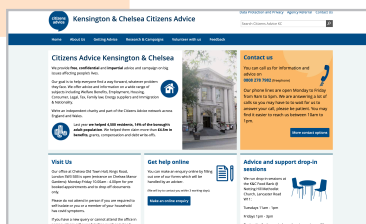
Step Change Debt Charity

- ▶ Get expert debt advice by calling **0800 138 1111**, Monday to Friday, 8am to 8pm, and Saturday, 8am to 4pm. To make use of free online debt advice, visit www.stepchange.org



Kensington and Chelsea Citizens Advice

- ▶ Call **0300 330 1174** or visit www.citizensadvice.org.uk/local/kensington-chelsea



English

Information in this document can be made available in alternative formats and in different languages. If you require further assistance please use the contact details below.

Arabic

يمكن توفير المعلومات التي وردت في هذا المستند بصيغ بديلة ولغات أخرى. إذا كنت في حاجة إلى مزيد من المساعدة، الرجاء استخدام بيانات الاتصال الواردة أدناه.

Farsi

اطلاعات حاوی در این مدارک به صورتهای دیگر و به زبانهای مختلف در دسترس می باشد. در صورت نیاز به کمک بیشتر لطفا از جزئیات تماس ذکر شده در ذیل استفاده کنید.

French

Les informations présentées dans ce document peuvent vous être fournies dans d'autres formats et d'autres langues. Si vous avez besoin d'une aide complémentaire, veuillez utiliser les coordonnées ci-dessous.

Portuguese

A informação presente neste documento pode ser disponibilizada em formatos alternativos e em línguas diferentes. Se desejar mais assistência, use por favor os contactos fornecidos abaixo.

Somali

Macluumaadka dokumentigan waxaa lagu heli karaa qaabab kale iyo luuqado kala duwan. Haddii aad u baahan tahay caawinaad intaas dhaafsiisan fadlan isticmaal xiriirka faahfaahinta hoose.

Spanish

La información en este documento puede facilitarse en formatos alternativos y en diferentes idiomas. Si necesita más ayuda por favor utilice la siguiente información de contacto.

Contact us on **020 7361 3002** for more details.