

## **SECTION 20B FREQUENTLY ASKED QUESTIONS**

### **What is a Section 20 B Notice?**

Each year we estimate the cost of providing services to you for the 12 months from 1<sup>st</sup> April to 31<sup>st</sup> March the following year. These estimated costs form the service charge budget you pay each year. After the end of March, we look at the actual costs of providing the services and compare these to the estimates. We let you know the difference and any amount due to be paid or refunded by the end of the following September when we send your service charge statement.

The actual costs of the major works to your block during the service charge year 2017/18 are still to be finalised. This means that we are unable to send you the service charge statement before 30 September 2018. We have 18 months from the date that costs were incurred in which to do this (S.20B Landlord and Tenant Act 1985) and we usually aim to issue the Service Charge statement by 30 September as this is 18 months since the start of the preceding financial year. As the final costs are not yet known we are sending you this notice to set out details of known and estimated costs which have been incurred in financial year 2017/18 and which you will subsequently be required to contribute through the payment of a service charge (S.20B(2) Landlord and Tenant Act 1985).

### **What is the cost figure on the Notice?**

This figure is the best estimate we have for the actual cost of the major works to your block **up to 31<sup>st</sup> March 2019**. This amount is based on the costs we have been charged by the contractors for work completed to your block before the end of March.

**This is for the whole block not just your individual share.** It includes VAT and the management fee. This is the maximum figure that could be charged for 2018/19, the actual figure may be less but cannot be any higher. This figure also includes the actual costs of the other services you received such as grounds maintenance, cleaning etc.

### **Is this the final cost of the works?**

No. This is an estimated maximum cost for 2018/19. Works carried out during the financial year 2017/18 are not included in this notice.

### **When will you be able to provide the final costs?**

Unfortunately, due to the ongoing negotiations we are not able to confirm when final account will be available.

### **What do I need to pay now?**

Because we don't know the actual costs for the work yet, you should continue to pay the estimates you have already been sent. If you have not talked to us yet about how you can pay, please contact us urgently. We will do our best to find a solution that suits your circumstances but can only help you if you talk to us.

**Why are the costs in the S20 B Notice different to the costs approved by the FTT?**

The FTT determined what would be a reasonable cost to demand on account and that is the cost charged on the Interim Service Charge demands we have sent you recently. The final costs have always been subject to change and this point was emphasized by the FTT on several occasions. For example, if more concrete repairs were needed than had been estimated, the additional costs would be recovered once the final costs were known. We have only included costs for the elements of the works that the FTT determined were recoverable from leaseholders. There have also been some costs savings made, and this might reduce the final account figure.

**I have already paid the full amount of my 2018/19 service charge, what do I need to do now?**

Thank you. You don't need to do anything at the moment. You will receive your final invoice next year and any surplus or deficit will be dealt with then.

**I have already made an agreement to pay the charges in the 2018/19 budget, what do I need to do now?**

Thank you. You don't need to do anything at the moment. When we know the final costs, we will discuss with you how this affects your agreement and any change we may need to make, for example to the amount of time you are spreading the cost over.

**What if I can't afford to pay?**

We can only help if you talk to us. If you are struggling to pay, please let us know.

**What if I am selling my flat?**

If you are selling your flat, you need to keep the Section 20b Notice safe and pass it to your solicitor. All outstanding service charges will need to be cleared when your sale completes.