

Payment Options for Major Works

The following payment options are available to leaseholders to repay the cost of major works.

Option 1 – Full Payment by Leaseholder

You are required to pay the invoice in full within 30 days of the invoice date. This may involve making your own loan arrangements with your mortgage lender, bank or building society where this is applicable. If the invoice is paid in full within 12 months of the invoice date, a 5% reduction will be applied.

You are advised to seek independent financial and legal advice before entering into any agreement to secure a mortgage or a loan on your home. This option applies to all Leaseholders.

Option 2 – Discretionary Payment Agreement

Where you are unable to pay the full amount within 30 days of the demand for payment, the Council may, on a discretionary basis, allow deferred, interest-free payments by instalment over specified time periods, as outlined below:

- Up to 12 months (12 equal payments) on major works bills under £2,500.
- Up to 24 months (24 equal payments) on major works bills over £2,500 - £5,000.
- Up to 60 months (60 equal payments) on major works bills over £5,000.

If you are wishing to pursue this payment option, you should contact the Leasehold Team within the 30-day period of the demand being issued, to prevent arrears enforcement action. This will also enable the Council to carry out an affordability assessment and suitability for this type of arrangement on a case-by-case basis.

Where deferred payment arrangements are established, you will be required to set up a Direct Debit or Standing Order to cover the amount outstanding in equal monthly payments as outlined above. Our bank details are below if you require them.

If your circumstances change you should cancel the Direct Debit and settle the outstanding amounts in full if you are able to.

If any default in payments occur without explanation or agreement, the Council reserve the right to commence arrears recovery actions.

Non-Resident leaseholders

If you do not reside in the property and/or rent it to tenants/family, only payment options 1 and 2 are initially available. Any request from a non-resident leaseholder to extend the payment term will be considered only through a comprehensive income & expenditure process and at the discretion of the acting officer.

Option 3 – Statutory Loan Scheme (Right to a Loan)

This is a loan governed by statute and is available to leaseholders within a maximum of 10 years since the property was purchased under the Right to Buy scheme. If eligible, this right to a loan is a right to leave the whole or part of the service charges outstanding. The following applies:

- When the Council sends out an invoice for major works, it will ensure that the invoice states if the Council believes that a leaseholder is eligible for a statutory loan and what he/she must do to claim it.
- The leaseholder has 6 weeks from the date of the invoice to exercise their right to a loan. The Council must then tell the leaseholder the terms of the loan and the time allowed to accept it. The leaseholder then has 4 weeks to accept the Council's offer.
- The Council is obliged to secure statutory loans by way of a mortgage.
- The mortgage will be secured on the property (whether the property is adequate security). This will involve placing a charge via the Land Registry.
- The Council will charge a set administrative fee to the leaseholder.
- This administrative fee is limited to £100. This may be added to the amount of the loan if the leaseholder wishes or can be paid separately.
- Monthly repayment instalments are required via direct debit.

Option 4 -Deferred Payment Option

If you are a resident leaseholder and are facing severe hardship and are unable to secure funding from a High Street Bank/Building Society, the Council offers a deferred payment option secured by a charge on the property for the actual amount plus the cost of registering the charge with Land Registry, their fees can be found on the government website: [HM Land Registry: Registration Services fees - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/hm-land-registry-registration-services-fees).

The loan is repaid on the sale of the property. The charge is noted at the Land Registry and the property cannot be sold unless the amount owed is redeemed. This option may not be available if there is insufficient equity against the property to cover the debt.

This option will be available on a case-by-case basis and be subject to completing an income & expenditure form and submitting bank statements for all bank accounts for all adults in the property for the previous 3 months. These must be provided so that the council can be assured there is no reasonable way of the leaseholder meeting the payment under their current circumstances.

You will also be responsible for covering the costs the council incurs to raise and register the charge plus an administration fee of £25. This will be payable upfront before the charge can be registered.

Option 5 - Purchase of the Leasehold Property by the Council

Options include for the Council to purchase the property and will be determined on a scheme-by-scheme basis. This is also subject to the availability of funds.

Option 6 – Purchase Equity share by the Council

The Council can offset major works service charges by taking an equity share in your property, by way of a shared ownership lease (i.e. Equity share scheme). The Council would need to complete a valuation of the property to estimate the works cost as a percentage of the value. This is also subject to the availability of funds.

Option 7 – Fire Risk Works

Fire risk works completed and charged to qualifying leaseholders will be charged within accordance with The Building Safety Act 2022, which specifies strict capping limits for fire risk works to qualifying leaseholders. If you are charged for fire risk improvement works and believe that you may be a qualifying leaseholder under the current guidance, please contact us to discuss this and the council will detail what your specific payment plan would be.

If, under the guidance, you are eligible for a zero charge, you will not receive an invoice for the works.

Payments can be made in the following ways:

By Telephone: Payments can be made using a touch-tone telephone by calling 01277 312500. Please ensure you have your service charge account number and credit/debit card details available.

By Post: Cheques & Postal Orders should be payable to **Brentwood Borough Council**, please make sure that you quote your Service Charge Account Number on the reverse of the Cheque / Postal Order, or any documentation sent with the payment. Payments to be sent to: **Brentwood Borough Council, Town Hall, Ingrave Road, Brentwood, CM15 8AY**. The Council does not automatically issue receipts for payments received by post.

By Debit or Credit Card: Payment can be made by debit or credit card on the Council's website at www.brentwood.gov.uk. Please select the 'Rent, Garages and Service Charge' payment option and not 'Invoice' payments.

By Direct Debit: If you would like to pay by Direct Debit, please contact the Housing Services Department who can arrange for a direct debit mandate to be forwarded to you.

By Standing Order: If you would like to pay by Standing Order, the details are as follows:

Payee; Brentwood Borough Council

Bank Sort Code: 30-91-17

Bank Account Number 01731291

Reference:

All payments must quote your 10-digit major works account number for us to allocate payments to your correct account.