

Section 20B Notice – Frequently Asked Questions

What is a Section 20B Notice?

Section 20B(2), covers the requirements on landlords where they are not yet ready to issue finalised accounts, 18 months after the costs were incurred.

Why have I received this notice?

This Notice covers all leaseholder charges. Where we would have consulted with you about major works to your block or estate, those works may be completed or still be in progress. Where we have incurred costs for the previous financial year but the final account is yet to be agreed, we are required by law to let you know what has been spent.

Why was my charge only an estimate?

The council's leases allow charges to be made on an estimated basis, in advance. For annual service charges, the estimates are based on costs from previous years and any known increases. For major works, the estimates are based on a price specification, which follows on from statutory consultation and procurement. When the contract is finished and the accounts agreed, charges will be recalculated and accounts adjusted. We call this the 'final accounts', or the 'actual charge'.

The amount quoted is much higher than was originally mentioned

Please note that the amount quoted is for your entire block/estate (depending on the Lease), and it is not your individual proportion of the cost. We will let you know your individual portion when final accounts are completed.

I have already paid for this work

We appreciate some Leaseholders have made payments within the existing Reserve Fund. This notice is not an invoice or a request for payment.

When will my account be adjusted?

As soon as we have the full information that we need to calculate the final account, we will carry out the necessary analysis and write to you with the adjustment. The final account for major works is not usually available until twelve months after the work is completed. This is because final payment is not made to the contractor until the defects liability period ends. Sometimes disputes on final accounts take a long time to resolve.