



Northumberland County Council

Your Leasehold Service Charge Explained

When will I pay my service charge?

The service charge is based on our financial year, which runs from 1 April to 31 March. You pay your **estimated** service charge in April, which covers what we think your share of the cost of services will be.

After the end of the financial year, we work out your share of the actual costs and compare the difference between the estimated charge and the actual charge. Once this has been done your account is adjusted and an **invoice/statement** is issued in September.

Billing Cycle Explained

	2022	2023	2024	2025
MARCH	EST I/V 22/23	EST/IV 23/24	EST I/V 24/25	EST I/V 25/26
SEPT/NOV	ACTUAL I/V 21/22	ACTUAL I/V 22/23	ACTUAL I/V 23/24	ACTUAL I/V 24/25

EST = ESTIMATED I/V = INVOICE

When you receive your estimated service charge invoice you need to pay this in full or a payment plan needs to be arranged. (Please contact Marie Bradley on 01670 622906 to arrange this.)

When you receive your actual service charge your account will be adjusted to show the difference between what we estimate we would spend and what we have actually spent including repairs.

Why do I pay an estimate?

We have to charge an estimate because we do not know in advance how much the cost of providing the services will be. Some charges, for example, routine repairs, are difficult to predict because we do not know what repairs will need to be carried out, how many or how often.

If the estimated charge was more than the actual charge, we will put a credit on your service charge account for the difference. If the estimated charge is less than the actual charge, we will put a debit on your account which will need to be paid for.

How is the actual service charge calculated?

The service charges are worked out by our Finance Department once the accounts have been finalised after the end of each financial year. We compare the estimated cost to the actual cost and will adjust your service charge accordingly.

Actual Service Charge Invoices showing a credit or debit will be issued by the end of September each year.

If you disagree with part of your service charge, you must tell us and pay the part of the charges that you agree with while your complaint is being investigated. If you have any questions about the quality or standard of the services to your block please tell us.

Why are you charging an Admin & Management Fee?

Your lease states that we have to charge a management fee to cover the costs of the Leasehold Service. We currently charge a standard fee for all leaseholders, as everyone has equal access to the service.

The management fee covers the costs of managing our Leasehold properties.

What happens if my account is in credit?

Any credit will stay on your account; it will be offset against your estimated invoice when it is issued the following year. Alternatively you can request a refund by contacting Marie Bradley on 07811020944, Marie.Bradley@northumberland.gov.uk

Payments

How long do you allow me to pay?

You must pay within 28 working days of issue of your invoice. If you are having difficulties paying, payment arrangements can be discussed with Leasehold Service Officer on 07811020944 or 03456006400.

I can't afford to pay.

We can refer you to the Advice and Support Team if you are struggling with debt. They can identify which debts you should pay first and check to see that you are receiving all the benefits that you may be entitled to which could help you pay your service charge.

What will happen if I don't pay?

If your invoice is not paid on time recovery action will be taken. If you are struggling with debts please tell us. It is important not to ignore the situation as non-payment is taken seriously and could result in Court Judgments & loss of you home. Please note your Service Charge is a propriety debt.

I have recently moved into this property - why have I been sent a service charge bill for a period when I did not live there?

If the previous leaseholder did not settle the outstanding service charges the debt stays with the property, this means you are now responsible for these costs.

Your solicitor should have advised you of any outstanding service charges before completion of your purchase.