



Management Fee on invoices

Information for council leaseholders

All our leasehold invoices will show a management fee of 12.5%.

This leaflet tells you:

- Why we are allowed to charge this
- What it covers
- Why the percentage remains at 12.5% even when major works are being carried out

Why does every leasehold invoice include a Management fee?

The management fee on all leasehold invoices is determined in your lease and is applicable to all charges for services. It is set at 12.5% for the duration of the lease.

Please refer to the Sixth Schedule of your lease or ask the solicitor who dealt with your purchase, they should have made you aware of the management fee when you were buying your leasehold property.

What does the Management fee cover?

The 12.5% is charged to cover the administration of the service to leaseholders. This will include services such as:

- **Repairs Service:** Responsive repairs are logged by the call centre based with our contractor, Osborne Property Services. They also work with the DBC surveyors on a programme of planned works.
- **Housing Management:** Contract procurement, contract administration of planned work.
- **Leasehold Services:** Preparation of charges, answering invoice queries or service issues, ensuring that leasehold legislation is upheld, advising leaseholders.
- **Housing Services:** Dealing with neighbourhood issues.
- **Financial Services:** Preparation of invoices, collection of charges, management of payment arrangements.
- **DBC call centre:** Handling your queries about all DBC services.

- **DBC website and other media:** Responding to questions, making sure information is available for residents.
- **Any part of the council you may contact or who may contact you** in relation to your leasehold property.

How can you justify the high management fee on a large invoice?

- Responsive repairs (smaller repairs reported by residents) once logged by the repairs call centre, follow a mostly automated process up to the preparation of the leasehold invoices.
- When major planned works are being carried out, there is considerably more preparatory administration work done by our contractor, by the DBC surveyors and by the leasehold officers. The proposed costs need to be prepared by our contractor and agreed by the DBC surveyors before being forwarded to the leasehold officers.
- We are obliged under legislation (Section 20 of the Landlord and Tenant Act 1985 following Section 151 of the Commonhold and Leasehold Reform Act 2002) to follow a strict process of consultation with our leaseholders.
- The consultation process generates comments, which need to be responded to within given timescales. This often requires us to provide further information regarding the works and the products to be used. Having regard to the comments made by leaseholders may lead us to revise the works.
- We will then ask our leaseholders for feedback regarding major works after the works have been completed. This is fed back to the contractor.
- Customer Accounts will also receive more contact from leaseholders who receive a large maintenance invoice. They may arrange payment by instalments which will need to be monitored and reviewed.

For more information, please contact the Leasehold Services team by email: servicecharges@dacorum.gov.uk or telephone **01442 228000** and ask for **Leasehold Services**. Direct line: **01442 228 799**.