

Prompt payment discount agreement form

ADDRESS:
INVOICE NUMBER:
FINANCIAL YEAR: 1 April 2017 to 31 March 2018
ACCOUNT NUMBER:
PROPERTY REFERENCE NUMBER:
SCHEME / DESCRIPTION OF WORKS:

Please note: If you are a resident leaseholder and the property is your main home this option offers you a 5% discount off the total cost of the major works service charge invoice. You must settle 95% of the invoiced sum by the end of the financial year in which you received your estimated major works service charge invoice.

To take advantage of the prompt payment discount, 95% of the invoiced amount must be paid within six weeks of receiving the invoice or in twelve equal monthly instalments from April XXXX through to March XXXX. This option is only available to resident leaseholders, where the property is their main home. Upon receipt of 95% of the invoiced sum we will apply the 5% discount to the account.

To formally enter into the prompt payment discount option, you will need to complete and return this agreement form to our address below. Until we have received a signed copy of the agreement, signed by all parties on the lease, we are unable to formally confirm that the Council has allowed you to enter into this option.

Homeownership Services
London Borough of Lambeth
Lambeth Town Hall
Brixton Hill
London
SW2 1RW

Email: hmhomeownership@lambeth.gov.uk

This Agreement is made the (DD-MM-YYYY) ___/___/___ (*please complete*)

Between

1. (the Tenants**)
2. London Borough of Lambeth (the Council)

THE Tenants hereby admit that at the date of this agreement the Council has agreed that the major works invoice in respect of **for £**....., will be discounted by £....., which reflects 5% off the total cost of the major works service charge invoice. This discount will be applied upon receipt of £....., which represents 95% of the total invoiced sum.

This agreement relates to the property known as **AND** confirms that this agreement may be used by the landlord as evidence that Section 81(1) of the Housing Act 1996 has been satisfied.

The Tenants hereby accept and agree that the Council intend this agreement to treat the above major works service charge invoice as one single sum.

The Tenants hereby accept and agree that the Council intend this agreement to replace the provisions within the lease which outline how and when the service charges (major works) are due for payment.

The Tenants hereby accept that this agreement is intended to operate as a parallel payment agreement **outside** the terms of the lease.

The Tenants hereby accept that this agreement **DOES NOT** apply to any day to day annual service charge demand or any subsequent charges, or other major works invoice (including the final account for this invoice) other than the invoice specified above.

The Tenants agree to repay the entire balance outstanding upon assignment of the Lease.

IF the Tenants do not duly perform all the provisions of this agreement the Landlord shall terminate the prompt payment discount agreement immediately and revert to the terms of the lease to recover the outstanding debt **IN FULL** without recourse to the Tenants.

EXECUTED BY THE TENANTS *(please complete)*

Name:

Signature.....

Name:

Signature.....

Name:

Signature.....

Name:

Signature.....

Until we have received a signed copy of the agreement, signed by all parties on the lease, we are unable to formally confirm that the Council has allowed you to enter into the scheme.

SIGNED ON BEHALF OF THE COUNCIL

Name:

Position:

Date:

Signature.....

(the Tenants)**

Why does the form refer to leaseholders as tenants?

Under English law, anyone who occupies land or a property is either a:

- freeholder (they own the land)
- or a tenant (they own an interest in the land, but do not own the freehold title to it).

Therefore, as a council leaseholder, you are in law a tenant because the council owns the land on which your property has been built, or in some cases it owns a lease of a block. For this reason the law rarely refers to leaseholders. Instead, it usually refers to 'tenants who occupy properties let on leases'.