

Service Charges – a guide for home owners



If you need a copy of this leaflet in larger print, audio tape or Braille please contact customer services on 0800 731 2030.

Translations

If you need this leaflet translated into another language, please contact our Customer Services Team on 0800 731 2030.

- Si vous avez besoin de ce carnet de quittances de loyer ou de tout autre document de Wandle traduit dans une autre langue, veuillez contacter le service clientèle au 0800 731 2030.
- Se necessitar do Manual de Inquilino ou de qualquer outro documento da Wandle traduzido noutra idioma, por favor contacte o Serviço de Atendimento ao Cliente pelo 0800 731 2030.
- Si necesita la traducción del Manual del Inquilino o de cualquier otro documento de Wandle, por favor contacte con los servicios de atención al cliente en el 0800 731 2030.
- Haddii aad rabto in luqad kale lagu turjimo Tilmaanbixiyahaan Kiraystaha ama dokumenti kasto oo ka socdo Wandle, fadlan la xiriir Adeegga Macmiilka (Customer Services) lambarka 0800 731 2030.
- Bu Kiraclara ait El Kitab veya Wandle tarafndan hazırlanan herhangi bir dokümann baflka bir dile tercüme edilmesine ihtiyacnız varsa, lütfen 0800 731 2030 no.lu telefondan Müflteri Hizmetleri ile görüflünüz.
- আপনি যদি এই লিফলেট কিংবা অন্য কোনো দলিলের অন্য ভাষায় অনুবাদ পেতে চান, তাহলে দয়া করে 0800 731 2030 নম্বরে কাস্টমার সার্ভিসে যোগাযোগ করুন।
- ଏଠି ତମେ ଆ ପତ୍ରିକା ଅଥବା ଅନ୍ୟ କୌଣସି ଦସ୍ତାବିଜ କୌଣସି ଭାଷାମାଁ ଭାଷାଂତର କରାଏବା માଗતા ଢାଏ ତା, ହୁଏ କରୀନେ ଅମାରା ଗ୍ରାହକ ସେବା ଟୀମକୁ 0800 731 2030 પર ସଂପର୍କ କର।
- "यदि आपको इस लीफलेट या किसी और दस्तावेज का किसी भाषा में अनुवाद चाहिए तो कृपया हमारी ग्राहक सेवा टीम से 0800 731 2030 पर संपर्क करें।"
- اگر آپ کو دوسری زبان میں کرایے داروں کے اس منشور یا وانڈلے کی کسی دستاویز کے ترجمے کی ضرورت ہو تو، براہ کرم کسٹمر سروس سے 0800 731 2030 پر رابطہ کریں۔
- Nếu quý vị cần Sổ tay hướng dẫn cho Người thuê nhà hoặc bất kỳ tài liệu nào từ Wandle được dịch ra ngôn ngữ khác, hãy liên lạc với Customer Services (Dịch vụ Khách hàng) số 0800 731 2030.



“Building homes and good places to live”

Why have we produced this guide?

This guide explains what your service charge pays for. It also answers some of the questions leaseholders often ask about their service charges and outlines your legal rights and obligations.

What is a service charge?

Service charges cover the cost of the services we provide on your estate, block or housing scheme, for example cleaning, gardening or repairs in shared areas.

What does the service charge cover?

The tables on pages 4–7 show some of the services you may have to pay for, and the different headings you may see on your statement.

Service charges differ from block to block, depending on what we provide. Some of the examples in this guide may not apply to your home, and you may be paying for others that aren’t listed here. You will need to read the ‘service charge notification’ we send you each year. The notification lists the service charges for your property and estate in detail.

What is an estimated service charge?

Every February we send all leaseholders an estimate of how much your service charges will be for the next financial year. This is our forecast of how much we think it will cost us to provide the services during the 12 months from April to March. For some services we already know how much the service is likely to cost for that year.

You have to pay this estimated service charge as stated in your lease. If your lease says you have to pay the charge once every three months or once a year but you would like to pay monthly, then we may agree to this if you pay by direct debit.

You have to pay this estimated service charge as states in your lease.



If you paid too much, you may ask us to refund the overpayment as a single amount.

Why do I have to pay this estimated service charge in advance?

Paying in advance will save you money. If we waited until we knew the actual costs, we would have to borrow money and pay interest on it so that we could pay for the services. We would have to pass on this cost to you.

What if there is a difference between the estimated and actual service charge?

At the end of each financial year we work out how much it has actually cost us to provide the services to your home. We then compare this figure to our estimate.

If you have paid too much, you may ask us to refund the overpayment as a single payment. If you have not paid enough, we ask you to pay the shortfall. We usually ask for a single payment but we may agree on staged payments for large sums.

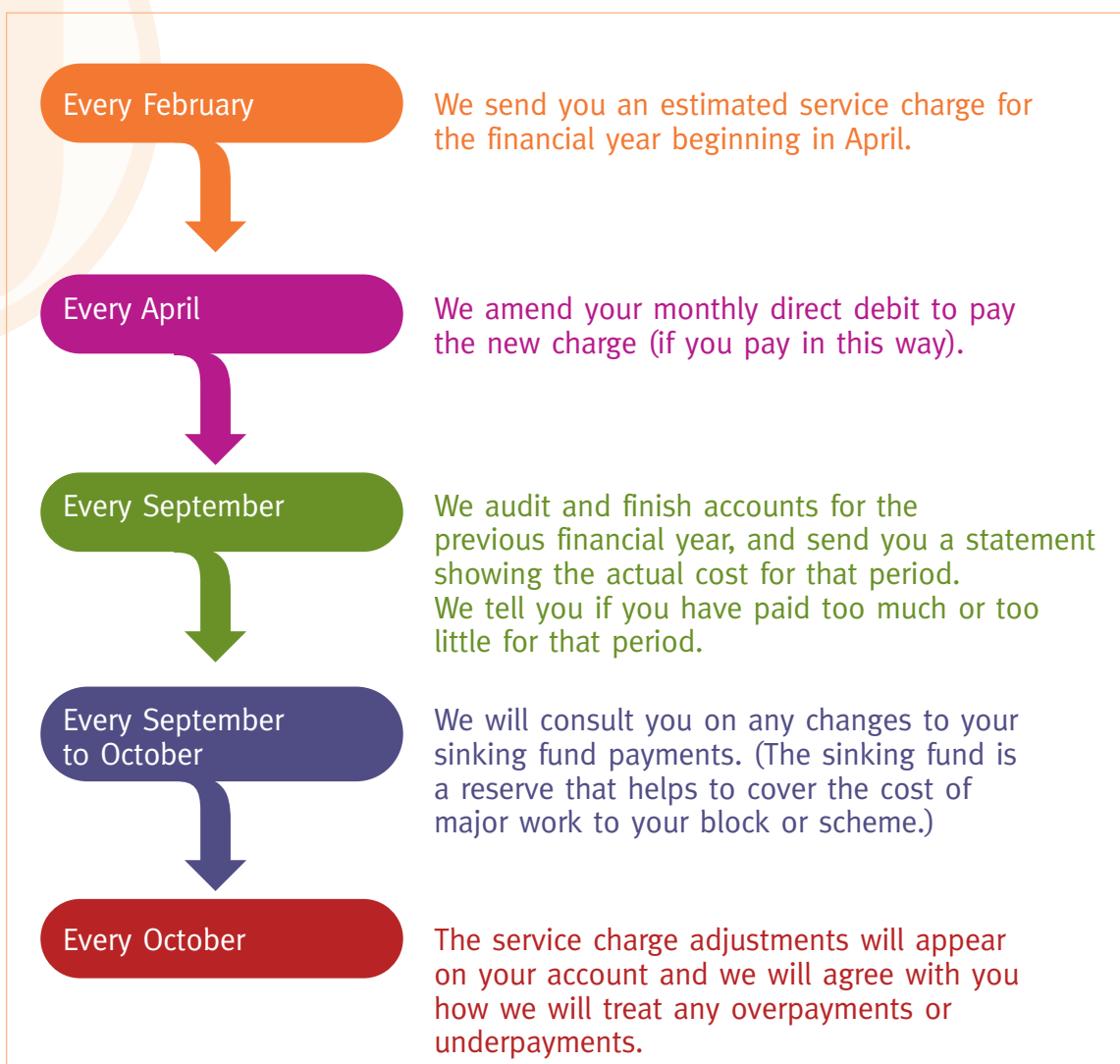
Do I have to pay?

Yes. The law says you have to pay your service charge based on our estimate, as your lease requires.



What will I receive and when?

The usual timetable for the service charge year is as follows:





Service charge items

Type of expense	Explanation of service charge item
Estate charges	<p>These apply when a housing scheme includes both tenanted and owned homes or just owned homes. Costs are divided among all the properties on the estate, and include any work to grounds and shared areas that serve the whole estate.</p>
Communal lighting (external)	<p>This is the cost of providing outside lighting on the estate, such as on estate roads and parking areas.</p> <p>It includes the metered electricity costs charged by the electricity company, and the cost of replacing any outside light bulbs on the estate. The cost is shared between each home on the estate or in the block.</p>
Communal lighting (internal)	<p>This is the cost of providing lighting for the block. It includes the cost of electricity charged by the utility company, and replacing light bulbs in the shared areas.</p> <p>The cost is shared equally by each flat in the block.</p>
Communal repairs	<p>This is the cost of any repairs we have to do in the internal shared parts of the block as well as in the grounds, paths, or roadways on the estate.</p> <p>We usually include our estimate of likely costs for the coming financial year, although it can be hard to predict what will be needed. We will adjust the charge when we know the actual figures.</p>
Garden and grounds maintenance	<p>This is the cost of maintaining the outdoor landscaped areas on your estate, for example by grass cutting, pruning shrubs, weeding, maintaining flowerbeds, and re-planting.</p>
Communal water costs <i>(where it is supplied by us)</i>	<p>This is the cost of the water we use for all the cleaning and washing we do in the shared areas, or for a communal water feature. The cost is shared equally by all the flats in the block that receive the cleaning service or benefit from the water feature.</p> <p>This is not a charge for the water supply to your home.</p>



Service charge items

Type of expense	Explanation of service charge item
Bulk refuse	This is the cost of removing bulky rubbish on our estates, such as fridges and mattresses, often as a result of fly-tipping. This charge is separate from the regular refuse collection service provided by the council.
Parking controls	This is the cost of dealing with vehicles on estate roads and parking areas. It includes the cost of removing abandoned cars and controlling access to car parks or parking spaces. <i>Note: The parking control scheme currently operated by our contractor is self funded and no charge is passed on to residents.</i>
Refuse bin hire	This charge covers the cost of hiring bins from the local council. The cost is shared by all residents who use the bins.
External management fees	This charge applies in a few schemes where our properties are part of a larger development and we do not own the freehold. Instead we pay an agent to manage some services or parts of the scheme.
Communal cleaning (internal and external)	These are our expected contract cleaning costs for the shared internal areas of the block, the external hard surfaces and any bin areas. They may include washing down stairs and floors, vacuuming, sweeping and dusting the inside shared areas, cleaning the inside of windows in shared areas, cleaning bin areas, and the cost of all cleaning materials.
Communal heating	This heading includes any heating in the corridors of your building. It may also include the electricity costs of running a lift if there is no separate meter for this.
Lift servicing	This item is the expected cost of keeping your lift in working order through our lift-servicing contract. The charge covers the costs of the regular servicing visits and health-and-safety checks by our lift contractor.
Lift maintenance	This is the estimated cost of any repairs to the lift that are not covered by the lift-servicing contract.



Service charge items (continued)

Type of expense	Explanation of service charge item
Security systems and CCTV	This is the expected cost of the contracts for maintaining any security systems such as emergency lighting, alarms, lockable gates and CCTV, which serve the block only. The amount covers charges such as the cost of insurance and any service contract on the equipment.
Entry phone / intercom	This charge covers the costs of regular maintenance visits and of doing any repairs needed to the main door entry systems.
Window cleaning	These will be the expected contract costs for cleaning the outside of the communal windows above the first floor, and for some blocks the cost of cleaning the outside surfaces of all windows in the block. In some cases these charges are included in the communal cleaning contract and we will tell you if this is the case.
Fire alarms and systems	This includes the costs of servicing the fire appliances, alarm systems, smoke vents and emergency lighting systems, and the cost of any out-of-hours security arrangements.
TV aerial or satellite system	In some blocks we pay a fee to the system provider for any shared TV, digital, cable or satellite system. We divide the costs between the flats that use the system. This is separate to any fees you pay individually to providers for subscriptions to particular services.
Management fee	<p>We charge a management fee to cover our direct costs of managing your home. These include the salary and general staff costs of the Leasehold Team and part of the cost of those finance staff who deal directly with our leasehold accounts.</p> <p>The charge also includes the cost of newsletters and other publicity material sent specifically to leaseholders.</p> <p>We are about to change the way we recover other management costs for things like individual or programmed repairs, so that the total cost of the repair includes the management cost. This means individual leaseholders will pay for the services they actually receive.</p>



Service charge items (continued)

Type of expense	Explanation of service charge item
Management overheads	Management overheads are your share of our ‘back office’ costs such as computer and phone costs, office services and general administration, which in turn support the front-line staff in delivering your services.
Buildings insurance	All buildings that are insured directly by Wandle are covered by the same insurance policy. The cost varies according to the size of your home.
Audit charge	Our variable (‘non-fixed’) service charge accounts are audited each year by outside auditors. From time to time we invite different companies to bid for the contract to make sure we get the most competitive price. The auditors’ fee is included in your service charge.
Sinking fund	<p>This is sometimes known as a ‘reserve fund’ or a ‘repairs provision’.</p> <p>The aim of this fund is to build up a reserve of money that can pay for all or some of the cost of future major repairs and improvements to the building. By paying these contributions as part of their service charge, leaseholders and shared owners can spread the cost of any necessary future work.</p> <p>The money paid into this account is invested and earns interest that stays in the sinking fund. Items normally paid for from the sinking fund include:</p> <ul style="list-style-type: none"> • replacing lifts • planned decorations and repairs • replacing windows • replacing/repairing roofs • entry-phone systems • resurfacing estate roads and parking areas • main drainage work.



Other frequently asked questions

Q: Do leaseholders subsidise tenants?

A: No. Leaseholders on estates only pay for their share of the estate costs, such as grounds maintenance, picking up litter and repairs to estate roads. Tenants contribute to some estate costs through their rent instead of a service charge. Your service charge does not pay for the services that individual tenants receive.

Q: Does Wandle make a profit from service charges?

A: No. The amount of service charge you pay covers the cost of providing the services you receive.

The management charges include the parts of the service charge that come directly to us for staff costs.

Q: How do you work out my share?

A: Unless your lease says differently, you will pay an equal share of the costs on your estate. For example, if there are 50 properties on your estate and the cost of cleaning the estate grounds for the year is £5,000, then you will pay 1/50 of the costs, which works out at £100.

Q: How can I challenge my service charge invoice?

A: If you think the service charge is unreasonable or incorrect you can challenge it by writing to us, either by email or by post. Please make sure you tell us your address, and the item or items that you are challenging. Once we receive your letter or email we will consider your reasons for the challenge, check our figures and costs, and then decide whether to agree to your challenge and change the bill.

We will always try to sort out any challenges and disputes, but if you are unhappy with our reply, you can go on to challenge the particular service-charge item you are unhappy with at a Leasehold Valuation Tribunal (LVT). LVTs are made up of a panel of three independent and impartial members. They will look at the facts of a leasehold disagreement and try to settle the dispute.

If you do have a problem with your service charge, you should raise it with our Leasehold and New Tenures Team rather than through our formal complaints procedure. We don't generally treat initial service-charge questions as complaints.



Q: What if I'm having difficulty paying?

A: If you are having difficulty paying for your service charges and rent, you should contact us straight away to explain your situation (see our contact details). We can help you review your finances and, if needed, we can make an arrangement for you to pay what you owe over a period of up to 10 months (without interest).

You must not ignore the situation as this could lead to court action. In serious cases you could lose your home.

We can put you in contact with a welfare benefits adviser. They can give you general financial and benefits advice to help you make the most of your income.

We can also advise you about debt-counselling agencies, such as the 24-hour National Debtline or the Citizens Advice Bureau. You can phone National Debtline on 0808 808 4000.

For more information contact a member of the Leasehold and New Tenures Team through Customer Services on 0800 731 2030 or email LANT@wandle.com



Summary of your rights and obligations

1. By law, we must enclose this summary, which briefly sets out your rights and obligations in relation to variable service charges, when we send you a bill for service charges. Unless you receive a summary with the bill, you may withhold the service charge. The summary does not explain the law in full, and if you are in any doubt about your rights and obligations you should seek independent advice.

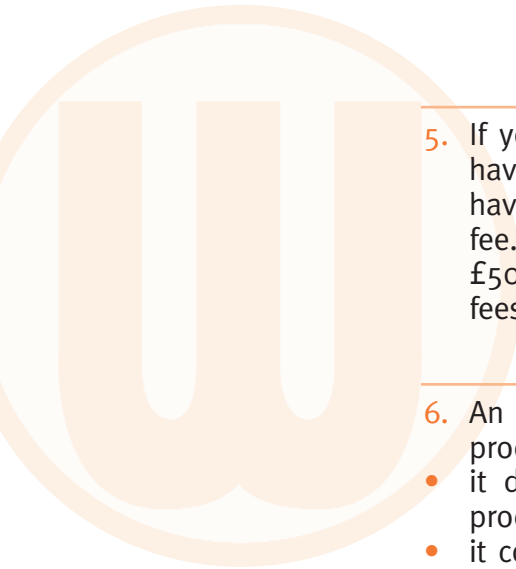
2. Your lease sets out your duty to pay service charges, as well as rent, to your landlord. Service charges are amounts payable for services, repairs, maintenance, improvements, insurance or the landlord's costs of management, as long as these costs have been reasonably incurred.

3. You have the right to ask a Leasehold Valuation Tribunal (LVT) to decide whether you are liable to pay service charges for services, repairs, maintenance, improvements, insurance or management. You may ask the LVT to do this before or after you have paid the service charge. If the LVT decides that the service charge is payable, it may also decide:
 - who should pay the service charge and who it should be paid to
 - the amount
 - the date it should be paid by, and
 - how it should be paid.

However, you do not have these rights if:

 - you have agreed with us about the matter and it is to do with the service charge or costs, or you have admitted you are liable to pay
 - the matter has already been, or is to be, referred to arbitration or has been decided by arbitration, and you agreed to go to arbitration after the disagreement arose, or
 - the matter has been decided by a court.

4. If your lease allows us to recover as service charges the costs we have incurred or may incur in legal proceedings, then you may ask the court or tribunal that dealt with those proceedings to rule that we may not do so.



5. If you seek a decision (known as a ‘determination’) from an LVT, you will have to pay an application fee. If the matter goes to a hearing, you will also have to pay a hearing fee unless you qualify for a free hearing or a reduced fee. The total application and hearing fees payable will currently not exceed £500, but an application may involve extra costs, such as professional fees, which you may also have to pay.

6. An LVT may award costs of up to £500 against a party involved in proceedings if:

- it dismisses a matter because it is frivolous, vexatious or an abuse of process, or
- it considers a party has acted frivolously, vexatiously, abusively, disruptively or unreasonably.

Please ask us or a citizens advice bureau if you are not sure what these terms mean. The Lands Tribunal has similar powers when hearing an appeal against a decision of an LVT.

7. If we:

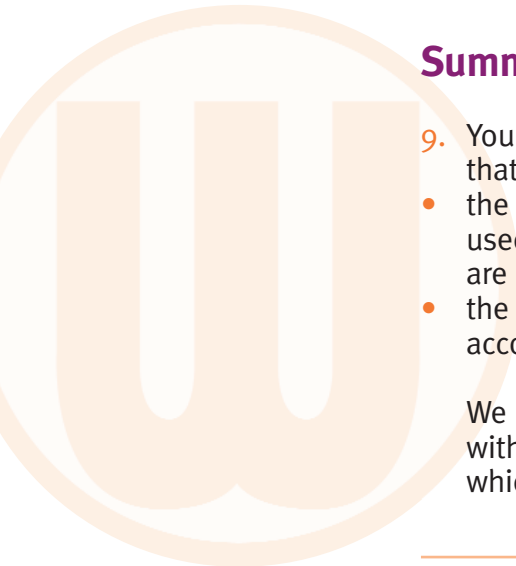
- propose work on a building or any other premises that will cost you or any other tenant more than £250, or
- propose to enter into an agreement for work or services that will last for more than 12 months and will cost you or any other tenant more than £100 in any 12-month accounting period,

then your contribution will be limited to these amounts unless we have properly consulted on the proposed work or agreement, or a leasehold valuation tribunal has agreed that consultation is not required.

8. You have the right to ask an LVT to decide whether we should change your lease on the grounds that the lease fails to set out properly how a service charge is calculated.



Summary of your rights and obligations (continued)

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9. You have the right to write to us to request a written summary of the costs that make up the service charges. The summary must cover:
 - the last 12-month period, ending no later than the date of your request, used for making up the accounts for the service charge (where the accounts are made up for 12-month periods) or
 - the 12-month period ending with the date of your request, where the accounts are not made up for 12-month periods.

We must give you the summary within one month of your request or within six months of the end of the period covered by the summary, whichever is the later.

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10. You have the right, within six months of receiving a written summary of costs, to ask us to provide reasonable facilities for you to inspect the accounts, receipts and other documents supporting the summary and to take copies or extracts from them.

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11. You have the right to ask an accountant or surveyor to carry out an audit of the financial management of the block containing your home, to establish our obligations and how efficiently we are using the service charges you pay. It will depend on your circumstances whether you can use this right alone or only with the support of others living in the premises. You are strongly advised to seek independent advice before using this right.

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12. Your lease may give us a right of re-entry (known as forfeiture) if you have failed to pay charges that are properly due under the lease. This right enables us to take back your home. However, to use this right, we must meet all the legal requirements and get a court order. A court will only grant an order if you have admitted you are liable to pay the amount or it is finally decided by a court or tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and will take into account all the circumstances of the case.



**For more information or advice call
Customer Services on Freephone
0800 731 2030 or from a mobile on
020 8682 7442, 9am–5pm Mon–Fri.**

**In an emergency out of hours,
contact Wandsworth Emergency
Services on 020 8871 6900.**

Wandle Housing Association Limited

Registered with the Tenant Services Authority
No. LO277

Registered as an Industrial and Provident Society
with charitable status, No. 19225[®]

Member of the National Housing Federation

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