

Your Guide to Service Charges

What is a service charge?

A service charge is what you pay for the services you receive. This could be for cleaning and gardening in shared areas, repairing a lift or maintaining a car park. Service charges can include the following:

- Cleaning and grounds maintenance
- Servicing and maintaining lifts
- Repairing and replacing equipment like door entry systems and fire fighting equipment
- The cost of shared utilities (such as electricity, gas or water)
- Infestation treatment

Who will have to pay service charges?

If you receive services, you will have to pay your share of the cost. We will tell you what you are being charged for and why and you will then have to pay what you owe.

What the service charge is based on

The service charge is variable. (variable service charges are a particular type of service charge. They are a legal term defined by the Landlord and Tenant act 1985). You will pay an estimated amount for services you receive based on our yearly budget for providing these services. We work out the difference between the estimated and actual costs at the end of the year. If you have paid too much, it will be used to reduce your next bill. If you haven't paid enough, we will add this to you next bill.

The yearly cost of providing services may change and your bill may rise. By using variable service charges everyone will pay their fair cost for services they receive.

Our variable service charge is managed in line with relevant legislation (currently Landlord Act 1985).

The service charge year

November to December	We compare the estimated service charges with the amount we spent in the previous year. You get a budget estimate, this is the list of services you receive and the amount we expect the services to cost over the year. This is the consultation period, where we will ask you for your comments on the draft budget
January	The consultation period is over and the budget estimates finalised. These final budget estimates will be sent to you.
February	You receive an official notice of your estimated service charge for the following year.
April	We start collecting the new service charge.

How do we work out the service charges?

Some services are for everyone living on a scheme, whilst others are only for residents in a particular block, or sharing certain areas, such as a garden or car park.

We will put the different service in a list; one list will contain services that everyone receives. A summary at the end of the page will contain services only some residents get, for example those who have access to a lift in a particular block.

We will share the cost of the services in each table in line with the terms of your tenancy agreement. This may be based on the number of properties that use those services or the size of your home, or it may be a specific amount.

What happens when new homes are let?

New tenancy agreements include a full list of all services provided, including how we manage the services.

We will tell new residents about services provided and the standards they can expect.

Collecting the new estimated service charge

We will work out an estimated service charge by using the individual information from your home. This will be decided with the help of our consultation with residents every year. Once it has been set it will not change. We will then collect new service charges from the first Monday in April.

What happens if the service charge costs are different from the estimated service charge?

If you have paid too much because the cost of the service was less than the estimated cost, we will use your overpayment to reduce the next year's service charges. If we undercharged you because the costs of services were higher than the estimated costs, we will add this to the next year's service charge bill.

We will send you a letter explaining your account and how the balance will affect your future charge.

Service charge accounting

This is where we continue to check we are charging you fairly based on the services you use. The service charge accounting period will normally be 1 January to 31 December each year. You will be sent a summary of the details of your service charges from the previous financial year.

Your Involvement

We will ask you about the service charge budget and estimated service charges before the start of the year. We will involve you in deciding your services and the standard of your services.

We know you have a legal right to be involved and we will make sure we act in line with the relevant code of practice.

We will make sure we provide clear and easily understood information about service charges.

We will involve you in the checking of services provided and will give you a chance to fill out a survey to make sure you are happy with the services.

More information

Call 020 89642323 and press 2 then ask for your housing officer.