

Service charges explained 2020



Protecting public money

This authority is under a duty to protect the public funds it administers, and to this end may use any information you have provided for the prevention and detection of fraud. We may also share this information with other bodies responsible for auditing or administering public funds for these purposes.

These notes are intended only as a guide. They are believed to be accurate at the time of writing, but are not intended to be relied upon in the event of difficulties or disputes arising in connection with your lease. In such cases you should seek independent legal advice.

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Introduction

The management of your property is the responsibility of housing management services in the council's housing and regeneration department. As a leaseholder you are recharged your service chargeable costs through an annual service charge bill. This booklet informs you about these services and about what is included in your service charge bill.

The billing and collection of your service charge is administered by Capita Local Government Services on behalf of Wandsworth Council. Service charge bills, including major works if applicable, are sent out each year in September.

Leaseholders' website

Information about service charges and services to leaseholders is available on our website at:

website: www.wandsworth.gov.uk/leaseholders

The service charge bill

The documents included with your service charge bill are explained in detail later in this booklet and will include:

- A summary of actual costs for 2019/2020
- The service charge adjustment for 2019/2020 and summary of estimated costs for 2020/2021
- An annual service charge invoice, including information about your monthly payments, where applicable
- A Section 153 Notice (in accordance with the Commonhold and Leasehold Reform Act 2002)

The major works bill

If your property has recently undergone or is undergoing major works or external decorations you will also be sent:

- A summary of the estimated costs of the major works
- An invoice for the major works
- A Section 153 Notice (in accordance with the Commonhold and Leasehold Reform Act 2002)

Your service charge bill

The summary of costs for 2019/2020

The summary of costs gives information about the property concerned and the estate and block percentages in accordance with your lease agreement. It also includes details of the actual amounts spent by the council during the financial year, 1 April 2019 to 31 March 2020. The total at the bottom of the page is the cost of your contribution and is the figure used to calculate your service charge adjustment for 2019/2020.

The service charge adjustment for 2019/2020 and the summary of estimated costs for 2020/2021

The service charge adjustment is the difference between the estimated amount that you were charged for 2019/2020 this time last year and the actual amount spent as detailed in the summary of costs for 2019/2020. The service charge adjustment is the figure shown as a debit or credit on your invoice. The summary of estimated costs for 1 April 2020 to 31 March 2021 gives your proportion of what the council estimates it will spend during this financial year. The total is the amount shown on your invoice.

The annual service charge invoice

The invoice shows the adjusted service charge figure for 2019/2020 and the estimate for 2020/2021. The total of these two figures is the amount you will have to pay. Please note it does not include any credit or debit balance on your service charge account.

Your major works bill

In the main, leaseholders are consulted before any major works are carried out. At the time of the consultation you will have been sent information about the programme of works, which would have included an estimate of the amount you will have to pay.

Summary of estimated cost for major works

This shows the estimated cost for major works to your property. The total amount is shown, together with the proportion, which you have to pay. You will also find an invoice detailing this amount.

The major works audited final account

Major works can take some time to complete and the council is not in a position to know the full cost until the work is finished, the defects liability period expired and the contractor's accounts are summarised, checked and audited. It is for this reason that the council has estimated your major works bill according to the cost of the programmed works. When your actual charge has been calculated you will be notified and a credit or debit note will be sent to you. This will take into account the difference between the estimated amount and the actual amount.

How to pay

Owner-occupiers can arrange to pay their service charges and major works bills by ten monthly, interest free instalments. Owners who live at another address are not entitled to pay by instalments.

The instalment facility

The instalment facility is a discretionary scheme originally designed to help owner-occupiers who were buying their property and to encourage the take-up of home ownership. As such this scheme was never intended to help businesses and investors in property. For this reason the instalment facility is only available to owner-occupiers. If you are the owner-occupier you can arrange to spread the payment of your service charge, interest free, over a maximum of ten months from the month you receive your invoice on the understanding that payments are kept up to date throughout the year. If a plan started late, the number of months available will be reduced accordingly.

The council will consider withdrawing the discretionary monthly interest free instalment facility for those leaseholders who are in arrears.

Owners who live at another address

- Your bill should be settled within 14 days of receipt (in accordance with your lease agreement)
- Failure to pay your bill on time could result in interest being charged at 6% above Barclays Bank Base Rate. This is in accordance with the covenant in your lease

Paying by Direct Debit

Direct debit is the easiest way to pay, if you have a post office, bank or building society account. A direct debit gives the council permission to take money from your bank account in agreed amounts at agreed times.

The direct debit form is printed on the back of the service charge invoice and may also be downloaded from our website. Complete and return this to LBW Accounts Receivable Capita at the address shown on the direct debit form and they will send it to your bank.

Your direct debit instruction will be renewed each year for your annual service charge bill. If you receive a major works invoice then this will not automatically be added to your instructions. However, this can be arranged by contacting LBW Accounts Receivable Capita.

Debit or credit card

There are a number of ways that you can pay by debit or credit card (except American Express and Diners Card), 24 hours a day, seven days a week.

Over the telephone

Call **0800 021 7763** (freephone). You will need your eight-digit service charge account number and your ten-digit invoice number.

Online

Visit the council's website at www.wandsworth.gov.uk/Payments

Please note there is no charge for credit card payments or debit card payments.

Internet banking

You can pay your service charge bill by internet banking. You will need to quote your eight-digit service charge account number, your ten-digit invoice number, our **bank sort code 60 22 28**, and our **bank account number 69612544**. Failure to quote these details may result in the council being unable to correctly allocate your payment.

Payments in cash at PayPoint outlets

You can pay your barcoded service charge invoice at any PayPoint outlet by CASH only.

These are situated at many convenience stores and newsagents throughout the borough. You will be given a receipt which you should keep for your records. You will not be charged for this service. Please allow at least five working days for payments to reach us.

A list of the current outlets is available at: www.paypoint.co.uk/locator

Paying at a Post Office

You can use your barcoded service charge invoice to pay at the Post Office by cash, cheque or debit card. Cheque payments should be made payable to Post Office Counters Ltd. You will be given a receipt which you should keep for your records. You will not be charged for this service. Please allow at least five working days for payments to reach us.

A list of the current outlets is available at: www.postoffice.co.uk/branch-finder

If you recently purchased the property from another leaseholder and this invoice covers a period when you were not the owner, you will need to arrange for your solicitor to apportion the service charge bill. The council does not carry out apportionments – see 'Frequently asked questions' on page 12.

For further information regarding making payments and setting up instalment

facilities for your service charge (including major works), please contact LBW Accounts Receivable Capita.

You should remember that your home is at risk if you do not keep up to date with your service charge payments.

telephone: 01749 341665

email: leaseholderslbw@capita.co.uk

Help with paying routine and major works service charge bills

If you are a pensioner on a low income you MAY be entitled to pension credit or if you are in receipt of income support or job seekers allowance, you MAY be entitled to assistance from the Department for Work and Pensions with paying your service charges and any major works bills.

Pensioner on a low income (the pension service)

telephone: 0800 991234 (freephone advice number)

direct number: 0345 606 0265

Income support, job seekers allowance or Universal Credit (Department for Work and Pensions)

telephone: 0345 608 8545

email: enquiries@dwp.gsi.gov.uk

Or contact your local office where your benefit claim is assessed.

To make a claim, you will need to send the DWP copies of your bill(s), the summary of costs and any Major Works Section 20 Notice. The DWP will confirm if you are eligible under their guidelines, and it is best to make any application as soon as possible otherwise your claim may be delayed or refused. However you should not withhold payment while your claim is being assessed.

Spreading the cost of major works

In some circumstances you can spread the cost of major works over a number of years (subject to certain conditions) with a Major Works Loan from the council.

For information, and to request an application form, contact the Property Accounts Team on:

telephone: (020) 8871 7287 - major works loan enquiries only

email: propertyaccounts@wandsworth.gov.uk

What is included in your service charge?

Under the terms of your lease the council is obliged to provide you with certain services and to charge you for those services that apply to your property. Set out below is a list of services and an explanation of what each involves.

ESTATE COSTS

Emergency response service

Wandsworth Emergency Control

telephone: (020) 8871 7490

email: hms@richmondandwandsworth.gov.uk

The estate services section provides the council's housing emergency and out-of-hours service through the Wandsworth Emergency Control (known as WEC). WEC operates 24 hours, 365 days of the year to ensure emergencies and other incidents are handled quickly and appropriately.

During busy periods your call may be held in a queuing system. Where an estate officer is required to attend, we aim to arrive within 30 minutes.

The estate services section

telephone: (020) 8871 7446

email: hms@richmondandwandsworth.gov.uk

Estate cleaning

Contractors carry out cleaning of external communal areas. Estate services monitor and inspect the cleaning standards of contractors.

Estate lighting

The cost of electricity (including the energy suppliers standard charge) plus the cost of light fittings (where they are easily accessible) are included in your service charge. It does not include lighting and related costs for adopted public roads, which run through the estates; these are met by council tax.

Garden maintenance

The council's contractor carries out garden maintenance, which includes grass cutting, planting, pruning and the upkeep of shrub beds. An additional charge is included for tree inspection and maintenance, where necessary.

Estate repairs

Estate repairs are carried out to communal parts of the estate as defined in your lease. This includes the responsive maintenance of footways, estate roads, walls, fences and railings, estate drains and estate lighting.

BLOCK COSTS

Block repairs

These are the cost of day to day repairs and maintenance to the communal parts of your block as shown in your lease agreement. The council is not responsible for repairs or maintenance inside your flat, although the council will carry out emergency work to prevent a problem causing either a nuisance to other people or damage to the structure of the block. You may be charged for any work that is carried out inside your flat. If there is a charge this will be billed separately from your service charges and will include VAT and administration charges.

Block cleaning

This is for the cleaning of internal communal areas, including the removal of rubbish, clearance of blocked refuse chutes where possible and some inspections of council equipment and fittings. Monitoring the standard of cleaning is the responsibility of the estate services section.

Block electricity

This is the cost of the provision of electricity supplied to your block, plus the electricity supplier's standard charge.

Paladins

The hire charge for paladins includes the provision of containers, repairs and maintenance and the scheduled steam cleaning of bins. Bins beyond repair will be replaced where necessary.

Lift repairs

All lifts and other associated equipment are regularly inspected and serviced. Included in this cost are any out-of-hours attendance and repairs not covered by the service contract.

Lift running costs

This is the cost of the electricity used for running a lift, plus the cost of inspections by the council's insurers.

Building insurance

As required under your lease, the council insures the block in which you live. The sum insured attributable to your property is shown on the summary of costs and refers to the cost of reinstating your property, not its market value. Where you have asked us to increase the sum insured over and above the council's own figure, the higher figure has been used. If you asked us to do this after 1 April, this has been arranged and the extra amount will appear in next year's bill. The sum insured is reviewed every year to ensure that it adequately reflects increases in rebuilding costs. Other factors may affect the premium payable, such as major fluctuations in claims experience, or the extent of terrorist activity, but the council regularly tests the market to ensure that insurance costs are competitive.

The council carried out a revaluation exercise of all its Housing stock in 2019. This has resulted in variable increases to block housing sums insured, dependent on the type of property and is reflected in your 2019/2020 actual service charge.

Contribution to fund

All building insurance claims are handled by the council's insurer (currently Zurich Municipal). Buildings insurance claims over £50,000 are paid by the insurer from their own funds. To provide for the cost of buildings insurance claims/insured repairs under £50,000 the council maintains a fund and has to obtain contributions from leaseholders instead of collecting premiums. The combined cost of this contribution, together with the premium payable to Zurich Municipal, (shown under the building insurance heading above) represents a substantially reduced cost when compared with standard insurance premiums.

Management expenses

The council has to recover all the costs involved in managing leasehold properties. These include the leaseholder's share of general expenses such as premises, salaries and office expenses. There are also costs which relate solely to leaseholders, such as the cost of sending out service charge bills, or dealing with leaseholders queries. Any items that are not relevant to leaseholders, such as letting vacant properties, internal repairs to tenants' flats and housing benefit administration are excluded.

The management expenses are charged as a percentage on cost of all the other items of the service charge bill excluding the emergency response and repair elements (estate, block and lift repairs). The repair elements already include an appropriate minor works commissioning fee.

Minor works commissioning fee

A fee is added to all repairs and maintenance costs and it is included in the total amounts shown for estate, block and lift repairs. This covers technical, supervisory and administrative costs associated with repairs and maintenance works.

Frequently asked questions on service charges

Why is the service charge estimated?

The charges for the emergency response service, the minor works commissioning fee and the management expenses elements will depend on the cost of administering the housing residential portfolio.

We cannot know in advance the exact amount it will cost to maintain your block or estate in this financial year, therefore you are charged an estimated amount which is based mainly on the actual costs of the previous year, plus an allowance for inflation. This is also in accordance with your lease agreement. The exceptions to this are explained below:

Garden maintenance

The amount included for garden maintenance is based on the cost of last year's routine work, plus inflation, together with part of the costs for any programmed non-routine work for the coming year which are known in advance.

Repairs and maintenance

It is not possible to predict the repairs that will need to be carried out in this financial year, as estimates are calculated on the basis of historical spend with allowances for inflation. This allows for any routine repairs and known programmed works to be carried out in the coming year.

All repairs and maintenance costs, such as estate, block and lift repairs include a 'minor works commissioning fee' which pays for any technical and administrative support charges for the processing of orders.

What happens if the actual amount is different from the estimated amount?

When the financial year is completed, the council calculates the actual service costs it has incurred and an adjustment will be made in the next service charge bill. If the council has spent more than its estimate, you will be required to pay the difference with your next bill. If it has spent less, your service charge for the coming year will be reduced by the difference.

What if I have problems paying?

If you have difficulty in making payment on the due date you should contact LBW Accounts Receivable Capita immediately on

telephone: 01749 341665

email: leaseholderslbw@capita.co.uk

Will you charge me interest if I am late paying my bill?

Your lease states that interest will be charged at 6% above the Barclays Bank Base Rate if payment is not received within 14 days. However, no interest will be charged if you have made arrangements with the council and you do not fall into arrears. Leaseholders who have previously fallen into arrears may not be allowed further instalment facilities until their account is brought up to date.

What is forfeiture of a lease?

If you fall into arrears with your routine service charge or major works bill and you have been given a reasonable time to pay off the debt the council, as landlord, can apply to the County Court for a forfeiture order to terminate your lease. This would result in the ownership of your property reverting back to the landlord. Please refer to our leaflet 'Forfeiture of a Lease' on the council's website.

How much is my ground rent?

The council do not charge ground rent because it is a peppercorn rent, which is a nominal charge.

Who should I contact if I am subletting my property and I change my address?

You should contact the housing and regeneration department.

email: hms@richmondandwandsworth.gov.uk

What happens when there is a change in ownership of a leasehold property?

When a property is bought or sold the service charge liability needs to be apportioned between the buyer and seller. The council does not carry out any apportionment. This is the responsibility of the solicitors involved to ensure that the change of ownership is completed smoothly.

Solicitors should request a pre-assignment package from the housing and regeneration department prior to completion. This gives full details of the lease and includes such items as the current amount of service charge outstanding, the period covered, the insurance cover and if there are any planned major works. Your solicitors will apportion the liability and arrange payment to the council. Usually the solicitors will hold some funds back from the sale proceeds to meet any future adjustments.

Any balance due for service charges/major works will need to be paid in full before the notice of assignment/transfer can be accepted.

To request a pre-assignment package contact leasehold services on

telephone: (020) 8871 7046

email: hlandp@richmondandwandsworth.gov.uk

Useful contacts

Who to contact in the housing and regeneration department

General enquires about the amount charged or the works involved should be made to your relevant area team. If you require a further breakdown of the cost charged to you please also contact your area team:

■ Eastern, southern & central area teams

Correspondence:
Wandsworth Council
Housing and Regeneration
Town Hall
Wandsworth High Street
London SW18 2PU

Eastern area team

telephone: (020) 8871 7439

email: housingeasterteam@richmondandwandsworth.gov.uk

Southern area team

telephone: (020) 8871 7288

email: housingsouthernteam@richmondandwandsworth.gov.uk

Central area team

telephone: (020) 8871 5333

email: housingcentralteam@richmondandwandsworth.gov.uk

■ Western area team

Correspondence:
Wandsworth Council
Housing and Regeneration
Western Area Team
Roehampton Parish Hall, Alton Road,
London SW15 4LG

telephone: (020) 8871 5530

email: housingwesternteam@richmondandwandsworth.gov.uk

If you do not know which area housing team manages your property contact:

telephone: (020) 8871 8327

email: hms@richmondandwandsworth.gov.uk

website:

www.wandsworth.gov.uk/housing

Other council services

Estate services

telephone: (020) 8871 7446

Non-residential (garages/store sheds)

telephone: (020) 8871 6870

Grounds maintenance team

telephone: (020) 8871 7048

Wandsworth Emergency Control (WEC)

telephone: (020) 8871 7490

Graffiti services

telephone: (020) 8871 7049

Who to contact in the resources department

■ LBW Accounts Receivable Capita

Paying your service charge bill

Debit/credit card payment via the

telephone: 0800 021 7763 (freephone)

LBW Accounts Receivable Capita

deals with accounts and payment enquiries, instalments, refunds and payment of arrears.

telephone: 01749 341665

email: leaseholderslbw@capita.co.uk

LBW Accounts Receivable Capita team on behalf of Wandsworth Council

LBW Accounts Receivable Capita

PO Box 4424

Shepton Mallet

Somerset

BA4 5BT

■ Insurance schedules

The property accounts team can provide an insurance schedule for remortgaging purposes. A summary of building insurance cover can be found on our website.

This team also deals with **Major Works Loans**.

telephone: (020) 8871 7282/7287

email: propertyaccounts@wandsworth.gov.uk

■ Insurance claims

The insurance section can advise you regarding what you are covered for and making a claim on your building insurance. They can also send you a claim form.

telephone: (020) 8871 6413/6414

email: IGroup

@richmondandwandsworth.gov.uk

Insurance Section

Resources Department

Town Hall

Wandsworth High Street

London SW18 2PU

Other useful contacts

(also refer to page 8 - Help with paying routine and major works service charge bills)

■ Age UK Advice Line

telephone: 0800 055 6112

website: www.ageuk.org.uk

■ Citizens Advice Bureaux

Please check website for opening times.

telephone: 0300 330 1169

website: www.cawandsworth.org.uk

Battersea CAB

Battersea Library
265 Lavender Hill
SW11 1JB

Roehampton CAB

Picasso Building, Mount Clare
Minstead Gardens
Roehampton
SW15 4EE

Tooting Library

75 Mitcham Road
SW17 9PD

■ First Tier Tribunal (property chamber)

Deals with disputes between leaseholders and landlords, and other leasehold issues.

2nd Floor, 10 Alfred Place
London, WC1E 7LR

telephone: (020) 7446 7700

email: London.Rap@justice.gov.uk

website: www.gov.uk/first.tier.tribunal

■ Housing Ombudsman Service

PO Box 152,
Liverpool,
L33 7WQ.

telephone: 0300 111 3000

email: info@housing-ombudsman.org.uk

website: www.housing-ombudsman.org.uk

■ Leasehold Advisory Service (LEASE)

gives free legal advice on leasehold issues.
Fleetbank House
2-6 Salisbury Square
London
EC4Y 8JX

telephone: (020) 7832 2500

fax: (020) 7832 2529

email: info@lease-advice.org

website: www.lease-advice.org

■ National Debtline

Free independent advice for people in financial difficulties.

telephone: 0808 808 4000 (free)

website: www.nationaldebtline.org.uk

This contact list is not exhaustive, there are many other agencies available. Please seek independent advice as required.

Complaints

Making a complaint

Unfortunately there are times when things go wrong and as part of our commitment to delivery high-quality services we want to know when this happens. If you are dissatisfied with any aspect of the service you have received you should let us know as soon as possible.

More information on how to do this can be found at:

www.wandsworth.gov.uk/complaints

**If you have questions about this booklet
or if you need it in a different format
(for example, large print)
phone (020) 8871 7296**

**www.wandsworth.gov.uk/leaseholders
propertyaccounts@wandsworth.gov.uk**