



# **SERVICE CHARGES**



**I have recently purchased my property under the Right to Buy scheme. How is my Service Charge worked out?**



**What is included in my Service Charge?**



**Is a Management Fee charged?**



**Do all leaseholders pay the same amount?**



**What if I disagree with the items on the Service Charge bill?**



**How do I pay my Service Charge?**



**What if I can't afford to pay my Service Charge?**



**What happens if I do not pay my Service Charge?**



## Service Charge

Service Charges are your share of the cost for the day-to-day managing, maintaining, repairing and provision of service to the block and the estate that your property is in.



### **I have recently purchased my property under the Right to Buy scheme. How is my Service Charge worked out?**

Any leaseholder buying under the Right to Buy scheme will be given an estimate of how much the Service Charge will be for each of the first five years. Once this estimate has been given, your Service Charge invoice cannot exceed this amount apart from by an amount equal to inflation.

If the estimate exceeds actual costs, actual costs only will be charged.

This protection lasts for the first five years only and will not be renewed on expiry, regardless of whether the property has been re-sold during that period.



### **What is included in my Service Charge?**

- Cost of communal ground maintenance
- Cost of communal lighting
- Cost of cleaning communal areas
- Cost of responsive maintenance
- Cost of planned works

These costs will vary from year to year as they depend on what works are carried out as well as the costs of works and services.



### **Is a Management Fee charged?**

Your Service Charge invoice will also include an administration fee. This covers your contribution to:

- Administration costs of sending invoices and collecting sums due
- Administrative costs of dealing with any repairs that may need to be carried out
- Surveyors costs to investigate what works needed to be carried out
- The administrative costs of working out your service charge
- The cost of staff who are on hand to answer any queries you may have
- The cost of leasehold participation (surveys, Leaseholder Club meetings, newsletters)

- The cost of monitoring contracts of estate services (cleaning, grounds maintenance)



### **Do all leaseholders pay the same amount?**

No. All leaseholders pay the same ground rent, administration fee and contribution to district wide grounds maintenance and communal lighting. The cost of works done will vary from block to block and so the amount each leaseholder is charged will depend on what repair or maintenance work has been carried out to their block.



### **What if I disagree with the items on the Service Charge bill?**

All Service Charges must be reasonable and the works or services provided must be of a reasonable standard.

We are committed to providing value for money services. If you are unhappy with any of the items shown on the invoice, please fill in the query slip enclosed with the bill and return it to South Lakes Housing. We will respond to your query within 10 working days.

You have the right to challenge service charges at the Leasehold Valuation Tribunal if you feel that the costs are unreasonable.

The Leasehold Valuation Tribunal is an independent body that will assess whether the Service Charge is payable under the lease and whether the costs are reasonable. Contact details for the Leasehold Valuation Tribunal can be found in the Useful Contacts leaflet within this pack.



### **How can I pay my Service Charge?**

You can pay:

- By cheque in the post or at your local housing office
- By standing order (please ask for a form)



### **What if I can't afford to pay my Service Charge?**

If you are having financial problems, please contact us immediately. We can offer help, advice and practical support.

You may be entitled to a loan from South Lakeland District Council (your landlord) if you meet the following conditions:

- The total service charge to pay in any one year must be more than £1,900 (including contributions to major works)
- The least you can borrow is £640 and the most is £25,250 (this will change every year with the retail price index)

You can now take out a loan for charges relating to repairs *and* for those relating to improvements covered by the Commonhold & Leasehold Reform Act 2002



## **What happens if I do not pay my Service Charge?**

We will write to you to tell you that your payment is overdue. We will ask you to contact us to discuss ways in which to pay the arrears (missed payments). We will give you information about other organisations that may be able to give you advice about debt and benefits to help you make the most of your income. (Please see the "Useful Contacts" leaflet for details of organisations that can advise you).

If you don't pay or do not make an arrangement to pay in instalments, we will begin County Court proceedings.

If we take you to court and you still do not pay the money that you owe, you may end up losing your home.