

Service Charges

What is a service charge?

A service charge is a payment you have to make towards the landlord's costs of providing services, repairs, maintenance, insurance and management in relation to the building where your home is. If your home is on an estate, you also contribute towards managing and maintaining the shared areas of the estate.

Service charges may be actual or estimated costs. We split service charges fairly between all the properties in the building.

It is important to note that the cost of the services to tenants is not subsidised in any way by leaseholders. We pay the social tenants share of costs of the service charge and Major Works via their rent.

Service charges

The rights of a landlord to collect service charges are set out in your lease.

Service charges may come in two forms:

1. Annual service charges
2. Major Works charges

Please note the services you receive and pay for will depend on where you live.

Annual service charges

Our service charge year is a financial year, which runs from 1 April to 31 March of the following year. The annual service charge invoice usually includes some or all of the following types of charges although you should refer to your own lease for specific details:

Estate Services

- **Caretaking and cleaning services** – this includes the costs of inspecting the estate and building where you live, reporting faults, cleaning communal areas, picking up litter, moving rubbish bins and carrying out bulk refuse collections

Management

- **An administration or management charge** - this is your contribution to the cost of administering your accounts, including arranging insurance, working out and collecting service charges, together with a charge towards the cost of managing FCHO's

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buildings and estates. It includes leasehold services staff and staff involved in managing the estate such as monitoring, resident involvement, nuisance and repairs

Insurances

- **Building Insurance** - the cost of your annual insurance premium under the leaseholders' block policy (for more information please see chapter on Building Insurance)

Utilities

- **Lift and lighting power (Communal Electricity)** - the costs of lighting shared parts, and power for items such as door-entry systems, aerial boosters, security lights outside, lifts and heating
- **Communal heating** - if you are connected to a group or district heating scheme you will pay a share of the costs of heating and maintenance.

Service Contracts/ Maintenance

- **Communal TV aerial** - the cost of keeping a shared television aerial in working order.
- **Door-entry phone system** - the cost of maintaining remote controlled door entry systems (if these services are in place), including regular visits under a planned maintenance contract.
- **Lift Maintenance** - the cost of inspecting, maintaining and servicing lifts to ensure that they are in good working order.
- **Communal heating** - if you are connected to a group or district heating scheme you will pay a share of the costs of maintenance.

Repair and maintenance

- **Day to Day maintenance** - the cost of day-to-day repairs to the communal areas of your building (for more information please see chapter on Repairs and Maintenance)
- **Major Works** - You will pay a share of the cost of major works.

Section 125 Notice and the first five years of your lease

When you bought your home from FCHO under the Right to Buy scheme, you received an important document called a Section 125 Notice. This document described your property and provided details of the purchase price and the discount available to you. It also listed possible major works that might be required during the first five years of your lease, together with the estimated costs.

We cannot charge you more than the amount shown on the notice (other than an allowance for inflation) during this five-year period. If work was not mentioned and is required during this time, we might not be able to charge you anything for it.

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Please note that after the initial period has ended, we can charge you for your full share of the reasonable cost of any work.

Major Works after the first five years of your lease

FCHO, is responsible for the upkeep, maintenance, repair and improvement of your building and estate as a whole. As a leaseholder you have to contribute towards the cost and are responsible for paying your share through your service charge.

We programme major work each year as part of our obligation to maintain the structure and outside of the block in which you live. This may also include improvements to your building e.g. re-roofing work and external decoration.

How to check that your payments are up to date

If you need a statement of your account at any time, please contact the Homeownership Service.

Statement queries

When you receive your statement, please take time to check it carefully. You may have made a payment through your bank that is not shown on the statement. To make an enquiry, please contact the Homeownership Service providing as much information as possible.

Service charge arrears

Your lease states that you have to pay service charges promptly on demand. If you fail to do so, you have broken the conditions of your lease and you could lose your home.

If you are having financial difficulty, please get in touch with the Homeownership Services Team as soon as possible. In most cases, we will be able to help you, and by taking early action, you may be able to avoid court action and extra costs.

Depending on your circumstances we may allow you to repay any arrears in instalments. Alternatively, we will be able to offer advice such as putting you in touch with independent debt counsellors or the Citizens Advice Bureau who will help you to claim any benefits you might be entitled to.

If you are having financial difficulty

The welfare benefit system can provide help to owner occupiers in certain circumstances if they have become unemployed or are suffering financial hardship.





If you are in receipt of benefits you should inform the benefits agency of the service charges you are required to pay. You will need to send a copy of each bill you receive, including your estimated service charge, your final account and any details of proposed works. You are required to inform them of any changes to your service charge within four weeks of receipt of the demand.

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Independent advice

If you would like independent advice about service charge arrears or other debts, you can contact the Citizens Advice Bureau or a solicitor.

Ways to pay service charges

There are a number of ways that you can pay your Service Charges :	
Payment Method Preferred	What you need to do
Direct Debit/ Regular Payments 	You can arrange for your payment to be paid monthly from your bank account. This is the most convenient payment method for you and us. Please contact us on 0161 393 7117 stating your account number
Credit/Card Debit Card via ALLPAY	Call 0161 393 7117.
PayPoint Outlets www.paypoint.co.uk/paypointlocator 	Using your payment card, you may pay at any outlet displaying the 'Pay Point' sign. You may pay by cash only at Pay Point outlets.
At Any Post Office 	Using your payment card, you may pay at any Post Office by cash, cheque or debit card. Please make any cheques payable to 'Post Office Ltd'.
24/7 Telephone Payments 0844 557 8321 	This is an automated telephone service. You will need to key in on your telephone keypad the details requested, including the 19-digit number on your payment card. Calls are charged at the national rate. This service is available 24 Hours a day, 365 days a year. You may pay by credit or debit card.
Internet www.allpayments.net or www.fcho.co.uk	Go to www.allpayments.net or www.fcho.co.uk to pay online. You will need the 19-digit number on your payment card. This service is available 24 Hours a day, 365 days a year. You may pay by credit or debit card.

What to do if you fall behind with your mortgage payments

You must contact your mortgage lender as soon as possible. We are unable to offer any guidance in connection with your mortgage.

Annual Ground Rent invoice

We also send out an invoice for Ground Rent in July of each year. The ground rent is an annual payment of £10, which is set out in your lease. The charge is made because FCHO is the freeholder of the land.