

3. Leaseholder and Freeholder Guidance for Annual Service Charges



CUSTOMER SERVICE EXCELLENCE





Leaseholder and Freeholder Guidance for Annual Service Charges

These sums represent the costs, fees and expenses incurred or to be incurred by Hackney Homes in carrying out maintenance and management functions to your property, block or estate. These are all required by the terms of either your lease or deed of transfer of part.

Hackney Homes is required to estimate each financial year and bill you for your contribution, known as service charges. Six months at the close of each year, usually in October, an audited actual summary of the previous year is sent to you.

Service charges are divided fairly between all flats in a block. Hackney Homes pays the proportion relating to the rent paying tenants which is then recharged to them through the rent and service charge they pay.

It is important to note that the cost of the services to tenants is not in any way subsidised by Leaseholders.

Hackney Homes is responsible for maintaining the structure and exterior of the whole building and the communal areas such as roof, halls and stairways.

The costs incurred within each financial year, from 1st April to 31st March by us are passed back to you on a proportional basis through the service charges. The services you receive will vary according to where you live and the type of property you live in.

Leaseholder and Freeholder Guidance for Annual Service Charges

Calculating your charge

Service charges are calculated using a living space factor. Hackney Homes gives every property a living space factor based on the number of bedrooms in the property. We then use this to work out your share of the total charges.

For services provided to your block, we work out your share of the total block charge by comparing your living space factor with the total number of living space factors for the block that benefit from those services.

Living space	Factor
Bedsit	1.5
1 Bedroom	3.0
2 Bedroom	4.0
3 Bedroom	4.5
4 Bedroom	5.0

For example: If the total block factor is 60 and you own a two bedroom property, your property factor will be 4/60th of the total charge to the block.

We calculate your share of the estate charges in a similar way but the total factor includes the total combined factor for all of the properties on the estate.

Leaseholder and Freeholder Guidance for Annual Service Charges

For example: If the total block factor is 60 and you own a two bedroom property, your property factor will be 4/60th of the total charge to the block.

We calculate your share of the estate charges in a similar way but the total factor includes the total combined factor for all of the properties on the estate.

A more detailed breakdown of your service charge, together with supporting documentary evidence, can be provided on request. However, please note that under Sections 18 to 35 of the Landlord & Tenant Act 1985 you must request this information within 6 months of receiving the Actual costs bill. After that period Hackney Homes is under no legal obligation to provide this information.

Estimates (issued before 1st April each year)

We estimate the cost of services annually for your block or estate and use this to work out your service charge for the year. Each year we send an Estimated Service Charge as shown above along with explanation leaflets for that year.

This bill is payable in 12 monthly payments on the 1st day of each month. You can pay your bill in advance if you wish but you cannot pay in arrears.

Sometimes services alter. This is due to the responsive nature of repairs and because communal jobs to estates and blocks can vary. Estimated services must be paid regularly and on time. Fluctuations in actual and estimated costs result in differences in service charges, described later in the section titled Actual Service Charges.

Leaseholder and Freeholder Guidance for Annual Service Charges

PROPERTY SERVICES CHARGE ESTIMATED CHARGES FOR 2006/07		DATE PRODUCED: 27 Mar 2006
Ms A N Other 24 Honeypot Lane Bees Corner E8 2WS		NEIGHBOURHOOD: S03 ACCOUNT NO: 123456789 PROPERTY FORMULA SIZE: 4.0 DATE OF PURCHASE: 03 Sep 1984 RE-INSTATEMENT VALUE: 113300
PROPERTY: 24 Honeypot Lane, Bees Corner, E8 2WS		
Where zero estimate is shown, a charge may still apply if a service is provided to your Property, Block or Estate.		
GENERAL SERVICES		
1. ESTATE REP AIRS	£137.49	
2. ESTATE CLEANING	£0.00	
3. ESTATE LIGHTING	£0.00	
4. GROUNDS MAINTENANCE	£84.21	
5. ESTATE ROADS FOOTPATHS AND DRAINAGE	£0.00	
6. ESTATE CCTV MAINTENANCE COSTS	£0.00	
7. TOTAL ESTATE BASED SERVICES	£221.70	
BLOCK SERVICES		
8. BLOCK REP AIRS	£79.24	
9. BLOCK CLEANING	£46.21	
10. BLOCK LIGHTING	£0.00	
11. COMMUNAL HEATING/HOT WATER FUEL	£0.00	
12. COMMUNAL HTG/HTW MAINTENANCE	£0.00	
13. LIFT MAINTENANCE COSTS	£0.00	
14. LIFT ELECTRICITY	£0.00	
15. BLOCK CCTV MAINTENANCE COSTS	£0.00	
16. COMMUNAL DOOR ENTRY MAINTENANCE	£0.00	
17. REFUSE STORAGE/GARCHEY SYSTEMS	£0.00	
18. COMMUNAL TV AERIAL MAINTENANCE	£0.00	
19. TOTAL BLOCK BASED SERVICES	£125.45	
20. TOTAL FOR BLOCK AND ESTATE	£347.15	
21. ADMINISTRATION CHARGES	£122.18	
22. BUILDING INSURANCE PREMIUM	£113.56	
23. SUB TOTAL	£235.74	
OTHER CHARGES		
24. CONCIERGE CHARGE	£0.00	
25. GROUND RENT	£9.00	
26. NEIGHBOURHOOD MANAGEMENT CHARGE	£0.00	
27. TOTAL CHARGES	£591.89	

An example of the invoice you will receive from us.

This account is payable in monthly instalments, which are due on the 1st of each month. please note this does not include arrears.

Leaseholder and Freeholder Guidance for Annual Service Charges

Actual Charges (issued by end of September)

Within 18 months of issuing your Estimated Charges we must send you information about the Actual Service Charge. You should expect this by the end of September each year for the previous financial year. For example:

2005/06: Estimated Charges issued by 1 April 05 Actual Charges by 30 Sept 06

2006/07: Estimated Charges issued by 1 April 06 Actual Charges by 30 Sept 07

2007/08: Estimated Charges issued by 1 April 07 Actual Charges by 30 Sept 08

Actual costs for blocks and estates are compared with estimated charges and any difference is either charged to you or credited directly. This Actual bill does not take into account any credits or arrears balances which may arise from your payments.

As from 1 **April 2007** we will send you a **Statement of Account** on a six monthly basis so that you are able to keep up to date with the balance on your service charges account. The actual service charge may be more or less than the estimated service charge. Attached to the Actual service charge bill will be a slip advising you of any excess that you are required to pay.

In accordance with your Lease or Transfer of Part, any excess charge is payable by return.

Some service charges result in charges greater than £250. These are referred to as major works. Please refer to the section on Leaseholder Guidance for Major Works for more information.

Leaseholder and Freeholder Guidance for Annual Service Charges

PROPERTY SERVICES CHARGE ACTUAL CHARGES FOR 2005/06		DATE PRODUCED: 22 Sept 2006	
Ms A N Other 24 Honeypot Lane Bees Corner E8 2WS		NEIGHBOURHOOD: S03 ACCOUNT NO: 123456789 PROPERTY FORMULA SIZE: 4.0 DATE OF PURCHASE: 03 Sep 1984 RE-INSTATEMENT VALUE: 113300	
PROPERTY: 24 Honeypot Lane, Bees Corner, E8 2WS			
I certify that the charges shown below have been calculated from actual costs incurred by the Borough and are in accordance with the provisions of the Landlord and Tenants Act 1985; Paul Mendez Da Costa, CPFA, Head of Finance (Housing).			
GENERAL SERVICES			
1. ESTATE REPAIRS		£168.48	
2. ESTATE CLEANING		£95.06	
3. ESTATE LIGHTING		£0.00	
4. GROUNDS MAINTENANCE		£73.65	
5. ESTATE ROADS FOOTPATHS AND DRAINAGE		£0.00	
6. ESTATE CCTV MAINTENANCE COSTS		£0.00	
7. TOTAL ESTATE BASED SERVICES		£337.19	
BLOCK SERVICES			
8. BLOCK REPAIRS		£131.52	
9. BLOCK CLEANING		£218.92	
10. BLOCK LIGHTING		£2.19	
11. COMMUNAL HEATING/HOT WATER FUEL		£0.00	
12. COMMUNAL HTG/HTW MAINTENANCE		£0.00	
13. LIFT MAINTENANCE COSTS		£0.00	
14. LIFT ELECTRICITY		£0.00	
15. BLOCK CCTV MAINTENANCE COSTS		£0.00	
16. COMMUNAL DOOR ENTRY MAINTENANCE		£8.16	
17. REFUSE STORAGE/GARCHEY SYSTEMS		£0.00	
18. COMMUNAL TV AERIAL MAINTENANCE		£3.25	
19. TOTAL BLOCK BASED SERVICES		£364.04	
20. TOTAL FOR BLOCK AND ESTATE		£701.23	
21. ADMINISTRATION CHARGES		£102.27	
22. BUILDING INSURANCE PREMIUM		£171.18	
23. SUB TOTAL		£273.45	
OTHER CHARGES			
24. CONCIERGE CHARGE		£0.00	
25. GROUND RENT		£9.00	
26. NEIGHBOURHOOD MANAGEMENT CHARGE		£0.00	
27. TOTAL CHARGES		£983.68	Final Estimate 05/06 £853.89
28. DIFFERENCE NOW DUE			£129.79

An example of the invoice you will receive from us.

Note: The amount on line 28 is the difference between the estimated and the actual costs for the financial year 2005/06. If as a result an additional sum is payable, a payment slip will be attached. Payment is due by return.

Leaseholder and Freeholder Guidance for Annual Service Charges

Contact Us

Leasehold & Right To Buy Services

Below are the Sections that make up the Leasehold & Right to Buy Services. You can contact us between 9am - 5pm Monday to Friday. We also open from 9.00am - 7.30pm on the second and last Wednesday of every month.

All our teams are located at:

Leasehold & Right to Buy Services
1st Floor, 298 Mare Street
London
E8 1HE

Customer Services (General enquiries)

- Sellers Pack
- Subletting

Phone: 020 8356 2100

Email: leaseholders@hackneyhomes.org.uk or freeholders@hackneyhomes.org.uk

Leaseholder and Freeholder Guidance for Annual Service Charges

Right to Buy

- Applications
- Offers

Phone: 020 8356 2010/2232

Email: RTB@hackneyhomes.org.uk

Service Charge Accounts

- Preparation/Billing of Estimates
- Preparation/Billing of Actuals

Phone: 020 8356 2099

Email: Service.charges@hackneyhomes.org.uk

Service Charge & Major Works Recovery

- Payments and Arrears

Phone: 020 8356 2299

Email: major.works@hackneyhomes.org.uk and Service.charges@hackneyhomes.org.uk

Major Works

- Estimates and Invoicing

Phone: 020 8356 2400

Email: major.works@hackneyhomes.org.uk

The contents of this Handbook are believed to be accurate at the date of publication (November 2006).



