

# A guide to your service charge estimate

Home Ownership Services

## Contents

About this guide	3
What is a service charge?	3
What is an 'estimate' and why do I receive one?	3
How is my property's share of the costs calculated?	3
What is the management fee for and how much do I pay?	3
Service charge estimates explained	4
How to pay	5
Difficulties paying service charge	6
What to do if you are disputing your service charge	6
Do service charges include major works?	6
Is ground rent included in my estimate?	6
Useful contacts	7

## **1. What is this guide about?**

This leaflet gives general information about your service charge estimate for the next financial year which runs from the 1 April to the following 31 March. If you need any further information you may like to visit: [Leaseholders](#) or view the Homeowners' Handbook: [Homeowners' handbook](#)

## **2. What is the service charge?**

Your annual service charge is your share of the cost of works or services carried out to your block or estate by the council, your landlord.

Your block and estate are defined in your lease or transfer deed. Generally, a block is the building your property is in, but some blocks are defined as 2 or 3 separate buildings. Service charges are shared between all properties within a block or estate, including council tenants, who contribute through the rent they pay. As landlord, the council is responsible for maintaining the structure of the entire building and communal areas such as halls and stairways. The services you receive, and their costs will vary depending on where you live.

## **3. What is an 'estimate' and why do I receive one?**

At the beginning of each financial year, you will be sent an estimated service charge bill, which is a calculation of what your landlord expects to spend on services to your block and/or estate during the year. The bill is a prediction, not the actual cost, because we cannot be certain in advance of the exact amount that will be spent. For example, the number and type of repairs carried out are likely to differ each year.

In September each year you will receive your final account for the previous financial year. If the actual costs are lower than estimated, then money will be credited to your account.

If the actual costs are higher than estimated, then you will be asked to pay the difference. This is called your 'final account adjustment'.

Our aim is for the estimated costs to match the actual service charge as closely as possible. We do this by analysing spending for previous years and adjusting this for inflation, and by working closely with the contractors that provide your services. This helps you to budget effectively and also helps your landlord to recover the correct funds and plan future spending.

## **4. How is my property's share of the costs calculated?**

Your property is charged a percentage of the costs to your block as defined in your lease. The percentage is based on the gross value of your property divided by the total gross values of all properties in the block.

The gross value is a benchmark system allocated by the HM Revenue and Customs to compare properties for the purpose of collecting taxes.

#### **5. What is the management fee for and how much do I pay?**

The management fee is to cover the centralised costs of providing a leasehold management service, including staff salaries, materials and overheads.

The fee is calculated by dividing the total running costs by all leaseholders and will vary slightly from year to year. However, there is also a reduced fee of £50 for properties that have block costs totalling less than £50. As you may find your block costs change each year, so you may also find that your management fee changes from £50 to the full fee, or vice versa.

## 6. Understanding your service charge estimate summary

The service charge estimate summary (typically found on page 3 of your letter) shows the estimated service charge due for your block and individual property.

An example of an estimate summary is explained in detail below. **This is an example for information purposes only and does not relate to your property.**

**Service Charge Account Number**

**Property Address**

**List of services to be provided to your block**

**Estimated cost of providing services to your block for the year**

**London Borough of Ealing**

**Service Charge Estimate For The Year**  
**1st April 20XX to 31st March 20XX**

Account Number: **SC000001**      Block ID: **BL0001**

Property Charged: **34 LAVENDER HILL ROAD  
EALING  
LONDON  
W5 1TT**      Property Share of Block Cost: **1.0117%**  
Building Insurance Sum Insured: **£292,771**

**Block Costs for: BL00001 LAVENDER HILL ROAD 34-220 (EVEN)**

Block Services	Block Charges Due For The Year	Individual Charges Due For
CCTV	£8,805.97	£89.09
Cleaning & Caretaking	£31,856.66	£322.29
Tree Lopping	£103.35	£ 1.05
Street Cleansing	£5,713.66	£57.81
Additional Refuse Collection	£526.55	£ 5.33
Day Works & Bin Purchase	£35.70	£ 0.36
Grounds Maintenance	£9,188.12	£92.96
Graffiti Services	£65.78	£ 0.67
Lift Services	£5,359.30	£54.22
Communal Electricity	£12,079.22	£122.21
Pest Control	£255.90	£ 2.59
Repairs and Maintenance	£23,287.72	£235.60
Mechanical & Electrical	£4,104.66	£41.53
Communal Window Cleaning	£589.38	£ 5.96
<b>Total for Block Services 20XX/XX</b>	<b>£101,971.97</b>	<b>£1,031.67</b>

**Property Costs for: 65 LAVENDER HILL ROAD**

Individual Property Costs	Block Charges Due For The Year	Individual Charges Due For The Year
1.0117% of block service costs	£101,971.97	£1,031.67
Insurance Premium		£358.50
Heating		£322.14
Management Fee		£270.23
<b>Total Individual Property Costs for 20XX/XX</b>		<b>£1,982.54</b>

**1 payment of £166.22 followed by 11 monthly payments of £165.12**

**The unique reference number of your block**

**Your percentage of the total block costs**

**The amount your property is insured for**

**Estimated cost of providing services to your property**

**Cost of Building Insurance for the year**

**Estimated management fee**

**Your total estimated service charges for the year**

**Your monthly payment of the yearly estimated service charge split over 12**

## 7. Pay your service charge

You have the option of paying the full amount in one 'lump' sum in April or spreading the costs over the year in 12 monthly instalments at no extra charge. Monthly instalments should reach us by the 15th day of each month which is a requirement of your lease/transfer deed.

- **Direct Debit**

If you already pay by Direct Debit, you do not need to do anything. If you do not have a Direct Debit and would like to pay by this method, please telephone home ownership services on 020 8825 9998 to set this up.

- **standing order**

Payments should be made on the 10th of the month and set up using our bank details. Standing orders can be set up electronically if you have internet banking. If you require a standing order form, please access the My Account on-line portal ([www.ealing.gov.uk](http://www.ealing.gov.uk)) to download a standing order form or call home ownership services on 020 8825 9998. If you already pay your monthly service charge by standing order, then you will need to amend it to reflect your new monthly payments.

- **online payments**

Scan the QR code or visit [Ways to pay your service charges](#)



- **telephone payments**

You can call our secure payments line on 020 8825 8346 24-hours-a- day, 7 days a week. Please have your debit or credit card details ready.

- **internet**

Contact your bank or access your account via the internet and arrange to make a payment. You will need to provide our bank details.

**our bank details:**

Bank name	Lloyds Bank PLC
Account name:	London Borough of Ealing
Bank account no:	02390175
Bank sort code:	30-00-00
Reference no:	Your six-digit service charge account number

**Please note:** *Your bank may not be able to match the name on the account and the account details, as it is a head office collection. Please check that the sort code and account number are correct, and your bank should allow you to proceed with the payment.*

***If you do not pay your Service Charges on time you are deemed to have broken the conditions of your lease and you could lose your property if the lease is forfeited.***

## **8. Difficulty paying service charges**

If you have difficulty paying, you should contact home ownership services straight away on 020 8825 9998. The service charge team can offer payment advice and discuss payment arrangements to allow you to spread the costs over a period.

You can also contact Job Centre Plus for advice and help to apply for benefits you may be entitled to:

Under 60 years of age: 0800 328 5644  
[www.gov.uk/universal-credit](http://www.gov.uk/universal-credit)  
Over 60 years of age: 0800 99 1234

The monthly service charge only provides for services and minor day-to-day repairs. However, if you are in receipt of Universal Credit, Income Support or Job Seeker's Allowance you should inform Job Centre Plus of the service charges you are required to pay, as they may be able to increase your allowance. You will need to provide a copy of each bill you receive including your estimated service charge, your final account, and details of any proposed works.

You must inform Job Centre Plus of any changes to your service charge within 4 weeks of receipt of the invoice.

For free independent and confidential debt advice and to discuss the options that may be available to you, please call National Debt line on 0808 808 4000.

## **9. What should I do if I am disputing my service charge?**

You should continue to pay your service charge even if you dispute it. A First Tier Tribunal (FTT) can decide if the charge is reasonable, and if it is not reasonable, can make the council refund the money you have paid.

If you do not agree with your service charge or want to challenge the cost of a service, please access the My Account on-line portal ([www.ealing.gov.uk](http://www.ealing.gov.uk)) to submit a query or call home ownership services on 020 8825 9998.

If we cannot resolve the problem to your satisfaction, you should follow the Ealing Council Complaints Procedure.

If the complaints procedure does not resolve the issue to your satisfaction, you can apply to the FTT who will make a decision. Please be aware that the FTT charge an application and a hearing fee and if you have legal representation, you will also need to pay for their fees.

## **10. Does the monthly service charge include major works?**

If we intend to carry out works to your building and your contribution is expected to exceed £250, we will carry out a separate consultation exercise with you. This gives you an opportunity to comment on a specific set of works and to influence the direction the council takes.

You will also be given an estimate of the expected costs of the works during the consultation exercise. If we do carry out major works to your building, we will send you a separate bill on practical completion, as this is the earliest point we can calculate what your actual contribution is. This allows us to give you access to a wider range of payment options than would otherwise be the case. It also means we only recharge you on the actual costs incurred.

## **11. Is ground rent included in my estimate?**

Ground rent is an annual charge that you may pay as a condition of your lease. The charge is made because you do not own the freehold of the land. If your ground rent is due on 1 April, it will be included in your service charge estimate. Otherwise, you will receive a separate invoice for this.

## 12. Useful contacts

Housing Services:	020 8825 9998
• Option 1	Tenancy Management (General communal block or estate enquires)
• Option 2	Housing Rents
• Option 3	Home Ownership Services
• Option 4	Repairs
• Option 5	General Resident Engagement
24/7 Payment Line	020 8825 8346
Anti-social behaviour	020 8825 5994
Noise Nuisance	020 8825 811
Cleaning/caretaking	020 8574 7385
Grounds maintenance	020 8574 7385
Abandoned vehicles	020 8825 6000
Graffiti removal	020 8825 6000
Refuse collection	020 8825 6000
Pest control	020 8825 6644
Buildings insurance claims	0161 274 9077 (24 hr)
Citizen's Advice Bureau	0800 144 8848
Leasehold Advisory Service (LEASE)	020 7832 2500
National debt helpline	0808 808 4000 (Freephone)
Victim Support line	0845 30 30 900
Local police	101
Age Concern	020 8567 8017 <a href="mailto:reception@ageukealing.org.uk">reception@ageukealing.org.uk</a>

Welfare benefits	0800 055 6688 (Under 60 years) 0800 99 1234 (Over 60 years)
Mind	0300 123 3393 (free mental health advice & support)
West London Mental Health Single Point of Access (SPA)	0800 328 4444 <a href="http://www.westlondon.nhs.uk/contact">www.westlondon.nhs.uk/contact</a> (for advice and support and adult mental health)

### **Email Contacts**

Customer services	<a href="http://www.ealing.gov.uk">www.ealing.gov.uk</a>
Cleaning & Caretaking	<a href="mailto:estateservices@ealing.gov.uk">estateservices@ealing.gov.uk</a>
Home Ownership Services	<a href="mailto:homeownership@ealing.gov.uk">homeownership@ealing.gov.uk</a>
Housing Hubs	<a href="mailto:tenancymanagement@ealing.gov.uk">tenancymanagement@ealing.gov.uk</a>
Anti-social behaviour	<a href="mailto:safercommunities@ealing.gov.uk">safercommunities@ealing.gov.uk</a>

### **Home Ownership Services**

PO Box 68288

Perceval House

14-16 Uxbridge Road London W5 9NE

[homeownership@ealing.gov.uk](mailto:homeownership@ealing.gov.uk)

**020 8825 9998**

**Select option 3 – home ownership services and:**

- option 1 - sales, alterations, lease extensions and shared ownership
- option 2 - general enquiries and major works
- option 3 - account and balance enquiries
- option 4 - automated telephone payments

Monday to Friday: 9am-5pm