

Information about your estimated service charges

This leaflet provides you with information about your estimated service charge costs for the financial year commencing 1 April and ending 31 March. It gives you general information on the services provided and also outlines the methods used to calculate your estimated charge. Estimated Service charges are sent out annually in March.

What are service charges?

Service charges are your share of the cost of works, utilities and services provided by the council, its partners or agents for managing and maintaining the structure and communal areas of your block and/or estate. As a leaseholder the charges are due under the terms of your lease.

Each year your service charges are invoiced in advance on an estimated basis, calculated as our assessment of your share of the cost of works, utilities and services expected for the upcoming financial year.

Within 6 months of the end of the financial year (normally by the 30 September) we calculate the actual cost of providing these works, utilities and services and the difference is either invoiced or credited to the home owner's service charge account.

As a leaseholder, you will be invoiced for ground rent, services to the block or estate, responsive repairs, maintenance, a management charge and buildings insurance.

How are my charges calculated?

Charges are based on the services we provide to your building/estate. These will vary depending on where you live and the type of property you own. Below are some of the services we provide, together with an explanation of how we work out charges for these services.

Generally, estimated costs are calculated using a combination of previous years' average charges and other relevant information which assists us to project costs for the upcoming financial year. We scrutinise the trends in amounts previously charged for each individual block and estate, and review any year where there has been unusual expenditure to improve accuracy.

Repairs and maintenance

This is a charge for minor repairs and maintenance carried out to the communal areas of your block and/or estate. This includes any drainage, roof, carpentry and masonry repairs and maintenance necessary during the course of the year.

Communal door entry maintenance

This charge covers the provision of an entryphone or similar security system, if one is fitted to your block. It includes any repairs and maintenance necessary to the system during the course of the year.

Communal electrical maintenance

This is a charge for maintenance of the communal electrical systems in your block.

TV aerial

This charge covers the maintenance of the communal TV aerial equipment in some blocks.

Lift maintenance

This charge covers any repairs and maintenance necessary to the lift, if your block has one, during the course of the year.

Communal water quality

The charge covers the cost of maintaining any cold water tanks and other communal water services and legionella testing.

Communal electricity supply

These are the costs associated with maintaining the electricity service to communal areas. The electricity services which may be included in your service charge are:

- Communal lighting supply
- Lift electricity

Grounds Maintenance

This charge covers grass cutting, shrub pruning, planting of flower and shrub beds and the general maintenance of gardens in communal areas.

Management charge

The management charge is the cost incurred by the council in providing a variety of management services to your property. This charge includes three elements:

- Housing Management - The costs associated with the proportion of time the Neighbourhoods and ASB teams spend on housing management services that benefit all residents.
- Repairs – This is a proportion of the cost to the council of running the repairs service (specifically, communal repairs that benefit all residents).
- Leaseholder Services Administration - Your share of costs associated with leasehold administration.

Please note that this does not include any costs associated with the administration of the Right to Buy scheme which is funded separately, or of any major works carried out towards which you may be liable to pay a share of the costs.

Ground Rent

This charge is a small rent fee which is payable each year for the use of the ground on which the building stands. This rent is called ground rent, and is a specific condition of the lease. You will have received a notice with your invoice requesting that your ground rent is paid on the due date. If you pay by Direct Debit, you do not need to pay this separately as it will be included in the monthly payment you make for your service charges.

Buildings insurance

The building you live in is owned by the council and as a requirement of your lease your landlord is responsible for insuring it and the cost of doing so is recharged to you as a service charge.

The building insurance covers the communal elements of the building which are the council's responsibility to maintain. These include the structure, the exterior and the services and installations of the block.

The amount charged is based on the size of your property.

Please note that this does not cover contents and therefore we would suggest that each homeowner obtain a home contents insurance policy as part of a private arrangement.

Paying by Direct Debit

Over half of all our customers have now chosen to pay by Direct Debit. You too may also wish to change your payment method to Direct Debit which is the easiest and most convenient way to pay.

We offer two different monthly payment dates for you to pay, the 1st or 15th. By signing up to Direct Debit you will save time as your bank pays the bill without you having to do anything, your bill will always be paid on time and it is also very simple to set up. All you have to do is complete our Direct Debit mandate and send it to us.

Online

You can pay on the council's website www.welhat.gov.uk, choose the "make payments online" page.

Telephone

24 hour automated line - 01707 357755. Select option 7 for Leasehold Service Charges. Please quote your 10 digit service charge account number.

PayPoint card

You can request a PayPoint card from the Home Ownership Team. This card can be used at any outlet displaying the PayPoint logo or at any post office.

Standing Order

The council's bank details are; sort code 40-46-08 account no 41020900.

Please quote your 10 digit service charge account number.

Cheques

Payments made by post should be sent to: Financial Services, Council Offices, Campus East, WGC, Herts AL8 6AE. Cheques should be made payable to Welwyn Hatfield Borough Council. Please quote your 10 digit service charge account number on the reverse of the cheque.

Are you receiving state benefits/tax credits or pension credit?

Please ensure you take a copy of the enclosed estimate to your local benefits office or send a copy to the office that deals with your claim for benefits/tax credits or pension credit. Doing this will help them to calculate your benefits/credit. It is important that you do this before the end of April so that the agency providing assistance can include April in their calculations.

What should I do if I do not agree with the service charges?

If for any reason you believe that we have miscalculated your service charge, or charged you for a service you are not receiving you can contact us to investigate. You should continue to pay your service charges in the meantime.

To ensure that we understand the nature of your query we ask that you send it to us in writing. This can either be by email to homeownershipaccounts@welhat.gov.uk or by post to:

Home Ownership and Rents team

Welwyn Hatfield Borough Council

White Lion House, Town Centre, Hatfield AL10 0JL

We always aim to respond to all queries within 10 working days. Depending on the nature of your query this may not always be possible. Where a query is complex or covers a number of items it may take longer than 10 days to respond to you, in which case we will inform of the likely timescales for responding and keep you informed of the progress of your query.

Service Charges – Summary of tenants' rights and obligations

1. This summary, which briefly sets out your rights and obligations in relation to variable service charges, must by law accompany a demand for service charges. Unless a summary is sent to you with a demand, you may withhold the service charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.
2. Your lease sets out your obligations to pay service charges to your landlord in addition to your rent. Service charges are amounts payable for services, repairs, maintenance, improvements, insurance or the landlord's costs of management, to the extent that the costs have been reasonably incurred.
3. You have the right to ask the First-tier Tribunal to determine whether you are liable to pay service charges for services, repairs, maintenance, improvements, insurance or management. You may make a request before or after you have paid the service charge. If the tribunal determines that the service charge is payable, the tribunal may also determine-
 - who should pay the service charge and who it should be paid to;
 - the amount
 - the date it should be paid by; and
 - how it should be paid.

However, you do not have these rights where- a matter has been agreed or admitted by you; a matter has already been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the service charge or costs arose; or a matter has been decided by a court.

4. If your lease allows your landlord to recover costs incurred or that may be incurred in legal proceedings as service charges, you may ask the court or tribunal, before which those proceedings were brought, to rule that your landlord may not do so.
5. Where you seek a determination from the First-tier Tribunal, you will have to pay an application fee and, where the matter proceeds to an oral hearing, a hearing fee, unless you qualify for fee remission or exemption. Making such an application may incur additional costs, such as professional fees, which you may have to pay.

6. The First-tier Tribunal and the Upper Tribunal (in determining an appeal against a decision of the First-tier Tribunal) have the power to award costs in accordance with Section 29 of the Tribunals, Courts and Enforcement Act 2007.
7. If your landlord proposes works on a building or any other premises that will cost you or any other tenant more than £250, or proposes to enter into an agreement for works or services which will last for more than 12 months and will cost you or any other tenant more than £100 in any 12 month accounting period. Your contribution will be limited to these amounts unless your landlord has properly consulted on the proposed works or agreement or the First-tier Tribunal has agreed that consultation is not required.
8. You have the right to apply to the First-tier Tribunal to ask it to determine whether your lease should be varied on the grounds that it does not make satisfactory provision in respect of the calculation of a service charge payable under the lease.
9. You have the right to write to your landlord to request a written summary of the costs which make up the service charges. The summary must cover the last 12 month period used for making up the accounts relating to the service charge ending no later than the date of your request, where the accounts are made up for 12 month periods; or cover the 12 month period ending with the date of your request, where the accounts are not made up for 12 month periods. The summary must be given to you within 1 month of your request or 6 months of the end of the period to which the summary relates whichever is the later.
10. You have the right, within 6 months of receiving a written summary of costs, to require the landlord to provide you with reasonable facilities to inspect the accounts, receipts and other documents supporting the summary and for taking copies or extracts from them.
11. You have the right to ask an accountant or surveyor to carry out an audit of the financial management of the premises containing your dwelling, to establish the obligations of your landlord and the extent to which the service charges you pay are being used efficiently. It will depend on your circumstances whether you can exercise this right alone or only with the support of others living in the premises. You are strongly advised to seek independent advice before exercising this right.
12. Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will

only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.

Administration Charges – Summary of tenants' rights and obligations

1. This summary, which briefly sets out your rights and obligations in relation to administration charges, must by law accompany a demand for administration charges. Unless a summary is sent to you with a demand, you may withhold the administration charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.

2. An administration charge is an amount which may be payable by you as part of or in addition to the rent directly or indirectly:
 - for or in connection with the grant of an approval under your lease, or an application for such approval
 - for or in connection with the provision of information or documents;
 - in respect of your failure to make any payment due under your lease; or
 - in connection with a breach of a covenant or condition of your lease.

If you are liable to pay an administration charge, it is payable only to the extent that the amount is reasonable.

3. Any provision contained in a grant of a lease under the right to buy under the Housing Act 1985, which claims to allow the landlord to charge a sum for consent or approval, is void.
4. You have the right to ask the First-tier Tribunal whether an administration charge is payable. You may make a request before or after you have paid the administration charge. If the tribunal determines the charge is payable, the tribunal may also determine:
 - who should pay the administration charge and who it should be paid to;
 - the amount;
 - the date it should be paid by; and
 - how it should be paid.

However, you do not have this right where:

- a matter has been agreed to or admitted by you;
 - a matter has been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the administration charge arose; or
 - a matter has been decided by a court.
5. You have the right to apply to the First-tier Tribunal for an order varying the lease on the grounds that any administration charge specified in the lease, or any formula specified in the lease for calculating an administration charge is unreasonable.
 6. Where you seek a determination or order from the First-tier Tribunal, you will have to pay an application fee and, where the matter proceeds to an oral hearing, a hearing fee, unless you qualify for fee remission or exemption. Making such an application may incur additional costs, such as professional fees, which you may have to pay.
 7. The First-tier Tribunal and the Upper Tribunal (in determining an appeal against a decision of the First-tier Tribunal) have the power to award costs in accordance with Section 29 of the Tribunal, Courts and Enforcement Act 2007.

8. Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, a tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.