



# A homeowner's guide to service charges



[www.sw9.org.uk](http://www.sw9.org.uk)

Part of  
**Network  
Homes**

# What are service charges?

Service charges are your contribution to the costs of maintaining and managing the communal areas and facilities of your home. The services you receive depend on where you live and the type of property you live in. Some charges will apply to the whole estate and others just to your block. Below are some examples of charges you may have to pay.

## Estate service charges

- **CCTV** – maintaining and monitoring the CCTV cameras on the estate to keep you safe.
- **Grounds maintenance** – such as cutting grass, weeding and pruning hedges and trees.
- **Estate cleaning** – some bulk waste removal, regular litter picking and sweeping of all external areas including footpaths, hard surfaces, play areas and estate roads.
- **Pest control** – dealing with problems like pigeon fouling, rats, mice, or ant infestations.
- **General maintenance** – such as resurfacing roads and walls, maintaining pathways and repairing estate lighting.
- **Caretaker services** – minor repairs, block inspections and meter readings (including our street properties).





## Block service charges

- **Communal electricity** – to light the communal areas and to power communal facilities such as lifts, door entry systems and plant rooms.
- **Communal gas/heating/hot water** – for blocks that do not have individual gas meters.
- **Lifts** – maintaining any lifts in your block.
- **General maintenance** – day-to-day repairs including the roof, main door, brick work, cabling, drains and gutters.
- **Block cleaning** – regular cleaning of walkways, landings, stairways, bin chambers and communal windows. This also includes resolving health and safety issues, e.g. clearing drains.
- **Building insurance** – your landlord Network Homes is required to insure your block. Homeowners are entitled to a copy of the insurance certificate available from SW9 Community Housing.
- **Reserve funds** – some blocks have a reserve fund to cover any future major works.
- **Satellite TV aerial** – maintaining the infrastructure that lets you receive a TV signal and satellite services like Sky.

## Other charges

- **Management fees** – the costs of administering the service charges, such as calculating the charges, income collection and dealing with homeowner enquiries.



# How much will I have to pay?

We write to you before the start of each financial year (1 April) with an estimate of your service charges for the year ahead. You can pay in full or in advance monthly instalments on or before the first of the month.

Under the terms of your lease, you can't pay in arrears. We do our best to make your estimate as accurate as possible. It is based on what we have spent in previous years, and the costs we expect to incur in the forthcoming year.

We operate variable service charges for our homeowners. This means that the amount payable to the landlord (Network Homes) can change depending on the costs incurred during the financial year.

At the end of the financial year (31 March), we work out your share of the actual costs and issue a final statement within six months. This tells you the difference between the estimated and actual costs. If we overestimate your charges, we will give you a credit for the difference. If we underestimate, we will ask you to pay the difference.



# How are my charges calculated?

The method of calculation is indicated at the top of your statement. Use this to check that the figures applied to “your share of the costs” are correct.

## Equal split

Generally we calculate service charges by dividing the total service charge cost by the total number of properties receiving the service.

Here's an example:

There are 1,000 properties on your estate.

The total cost of grounds maintenance is £40,000.

We work out your share using this calculation:

$£40,000$  (total cost)  $\div$   $1,000$  (number of properties) =  $£40$  (your share).

## Rateable value

Older Right to Buy leases may use the rateable value (RV) as the basis for the calculation. This is a unit of value given to a property by the Valuation Office Agency. In this case, we'll divide the total service charge cost by the total rateable value for your block and then multiply that by the rateable value of your individual flat.

Here's an example:

Cost of cleaning is estimated at £900.

Your block has a total rateable value of 30,000.

Your home has a rateable value of 250.

We work out your share using this calculation:

$£900$  (total cost)  $\div$   $30,000$  (total block RV)  $\times$   $250$  (property RV)  
=  $£7.50$  (your share).

# How can I pay my charges?

It's now easier than ever to pay your service charges. You can pay by the following methods:

- **Direct Debit** – over 70% of leaseholders pay by Direct Debit, which is our preferred method of payment. To set up a Direct Debit, contact our Income team on 020 7326 3700.
- **Debit card** – over the phone, online at [www.sw9.org.uk](http://www.sw9.org.uk), or in person at our office.
- **Cheque** – payable to SW9 Community Housing. Write your name, address and payment reference number on the back. You can post a cheque to us, for the attention of the Income team.
- **Cash at any Post Office or Paypoint outlet** – you will need a service charge payment swipe card to do this, which can be ordered on request.

# What happens if I don't pay?

You are legally obliged to pay service charges under the terms of your lease. If you're having any problems paying, please get in touch with our Income team and we will try to help. If you refuse to pay without good reason, we'll notify your mortgage lender. We may also take legal recovery action which could result in a court appearance and ultimately lead to your lease being forfeited. This is obviously a situation that we would like to avoid. If you are having any difficulties paying your service charges please contact us straight away.



## What can I do if I think my charges are unreasonable?


We always aim to calculate your service charges accurately and fairly. If you think the charges are unreasonable or if you feel that we have made an error, you can take the following steps:

- 1 Speak to a member of our Income team, who will review your account again.
- 2 If you're not happy with the response, please write to the Income Collection Manager at our office. Give your reasons for writing and be clear about what charges you disagree with and why.
- 3 If you still feel that you are being charged unfairly, you can apply to the First-Tier Tribunal to independently review your query.

We can provide this document in other formats including Braille, large print or audio CD. Sometimes, we can also help with translations into other languages. Please contact our Customer Service team at [info@sw9.org.uk](mailto:info@sw9.org.uk) if you require this service.



# Contact us

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