



YOUR RENT & SERVICE CHARGES

A guide for leasehold, freehold and shared ownership properties with a variable service charge

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Your rent explained (shared ownership)

How will my rent be calculated from 1 April 2014?

Every year, the rent for your property will increase in accordance with the terms of your lease. This is something you agreed to when you signed your lease. The manner and size of the increase can vary, however most leases state the increase is based on the preceding November's Retail Prices Index (RPI) plus 0.5%.

What is RPI?

Retail Prices Index (RPI) is a Government produced statistic which measures changes to inflation over a 12 month period.

What happens if I buy a larger share of my property?

If you decide to purchase a larger share of your property (known as staircasing) your rent will be recalculated as part of the process and reduced according to the percentage of the property you now own. If you staircase to 100%, you will own the leasehold (or in the case of some houses, the freehold) and you will no longer be required to pay rent.

Who can I talk to about staircasing?

Our home purchase team will be happy to talk you through the process of staircasing. If you call 0300 123 2034 (Option 4) they can give you advice and send you the relevant information and forms.

I own less of my property than my neighbour, but pay the same in service charges. Why?

Service charges are payable by all residents, regardless of their share of ownership and therefore the proportion of charges you pay is not affected by the percentage of the property you own.

I still have further questions about my increase. Who can I contact?

If you have any questions in relation to your rent increase, you can contact your home ownership advisor directly (their contact details can be found on the letters in this pack) or contact the team via our Home Ownership Advice Hotline on 0300 123 2034 (Option 1).

Your service charges explained

What is a service charge?

A service charge is an amount payable towards the cost of services or benefits provided for the resident of a property that fall outside of the charges specifically for their house or flat. For example, if you live in a flat with a communal garden which you have the use of, your share of the cost of maintaining the garden is included in the service charge.

Another example would be the cleaning and maintenance of any communal areas such as an entrance lobby, stairwells or lifts. Your share of the cost of these would be included in the service charge. A service charge can also include estate charges. These are charges for services provided to the estate on which your property is situated and can include items such as street lighting, grounds maintenance or litter picking. For the purposes of this information sheet, the term 'service charges' will also include 'estate charges'.

We refer to a group of properties that share particular services as a 'scheme'.

A service charge is payable in addition to any rent that you pay and One Housing makes no profit from your service charge. It is how we recover the reasonable costs incurred in maintaining your block and the immediate surrounding area. The detail of what can be recovered is set out in your Lease or Tenancy Agreement.

There are two types of service charge rates. They can either be charged at a fixed rate or a variable rate. Almost all homeowners pay a variable charge.

Variable service charges

In line with the details of your Lease or Tenancy, we base variable rate service charges on:

- estimating the costs of services for the year ahead and then adjusting those charges after the year end when the actual costs that have been incurred are known.

After the end of the financial year, your service charge schedule will show if your scheme has under or over spent.

What services are covered by the service charge?

One Housing provides a wide range of services to the properties we manage. We provide certain services to make sure that the block is safe and others to maintain a good standard of living for our residents.

Examples of the type of services which are provided and included in your service charges are listed on page 6 under 'Common services provided'.

Your service charge may vary from other residents in your block. This is because their Lease or Tenancy Agreement may be subject to different service charge terms and provisions.

Other charges

Provisions for future expenditure

Some large items (for example, door entry systems or lifts) will need to be replaced at the end of their useful life. To plan for this and to avoid charging you the entire cost for this all at once, we collect and set aside regular amounts for these eventualities. These funds are held in an interest earning bank account until they are required. These are called 'sinking funds'. If your service charge includes a sinking fund, you will see an entry for this on your service charge schedule. Your statement of actualised account will also state the amount contributed to the sinking fund in a year and detail any amounts paid out from it for works at your block. If we plan any major works for your block, as part of our consultation process, we will make it clear if any of the sinking fund will be used to pay towards the works.

Management fee

One Housing charges a management fee which covers the costs we incur as a landlord in managing the service charge and other costs associated with managing your property and account with us. As with all charges, the actual cost of this service is worked out at the end of the year and an actual management fee is included along with all your other charges.

The management fee is a per unit charge, this means all the properties with the same type of tenancy pay the same amount of management fee. The management fee is worked out by calculating the cost of managing our homeownership properties and then equally dividing this cost between those properties. One Housing adopts this methodology as it is considered best practice and recommended by the Royal Institute of Chartered Surveyors in their guidance on residential property management.

This is now the standard approach One Housing takes to charging management fees to all its residents. This is to ensure residents pay a reasonable fee which accurately reflects the costs

of managing their property. Prior to April 2012 the management fee was calculated by applying a percentage addition to the value of the services, for example adding up the total contribution to services and then adding 15%. There were however different percentages applied across the group and in many cases this amount did not cover the costs One Housing was actually incurring. While the way the management fee is calculated has been changed, there has been no change to the actual service the management fee provides for. The management fee is now calculated using the method One Housing believes is the most accurate and equitable.

The management fee is a variable charge and will change with each set of service charges issued. The actual charge will be calculated year by year, as set out above, on each occasion service charges are issued and will be based on One Housing's cost of management for the relevant year. The estimated charge will be calculated by looking at the previous actual management fee and making allowances for inflation and expected expenditure in the coming year.

As with service charges One Housing does not make any profit from the management fee charged.

Management companies

At some schemes some services are provided by a private management company. These companies are usually appointed by the original developers of the scheme or by the owner in cases where One Housing does not own the freehold. Where these costs are passed on to you in the service charge they are listed in a separate column, headed by the management company's name.

How is the service charge calculated?

Estimated accounts are created at the beginning of the year. These are based on the amount spent in previous years, with an uplift to take account of inflation or other anticipated factors. At the end of the year we look at the actual amount that has been spent and compare it to the amount we estimated would be spent and calculate the final service charge amount.

The accounts are then certified by an independent examiner and within six months of year end we will send you a statement showing the actual cost of our services for that year. This will show whether your scheme overall was in credit or debit.

Where we have spent less on providing services than we have charged for, there will be a credit on your account. This is called a surplus. Where we have spent more on providing services than we have charged for, there will be a debit on your account. This is called a deficit.

What if I need more information?

This information sheet is only intended as a general guide and does not cover all of the possible service charge arrangements between One Housing, our homeowners and our residents. If you have any questions or would like any further information, please contact your home ownership advisor. You can find their details on the covering letter that came with this information sheet. Alternatively you can contact our Home Ownership Advice Hotline on 0300 123 2034 (Option 1).

Common services provided

Service	What that service covers
Cleaning/caretaking	This can refer to a number of services, including cleaning and maintenance of internal communal areas, stairs and corridors, bin chambers, rubbish chutes and lifts, graffiti removal and some minor repairs.
Gardening and grounds maintenance	Grounds maintenance refers to the external maintenance of block and estate. Examples include cutting grass, planting and weeding flower beds, pavement cleaning, emptying dog wastebins.
Rubbish bin hire	This charge is for the hire of bins and any additional collections from the local authority.
Bulk rubbish removal	This charge is for bulk waste and removal of fly tipping from your block and/or your estate.
Concierge	Some blocks benefit from an onsite concierge whose role it is provide security within the communal areas of block.
Entryphone	Cost of repairing and maintaining the entryphone system in the block.
CCTV maintenance	Cost of maintaining block or estate CCTV systems in place.
Fire safety checks and maintenance	This is usually a quarterly service that tests block fire systems to ensure that all systems work correctly and comply with safety standards.
Water safety checks	These are tests carried out to any water storage tanks & systems that may be in the building.
Pest control	This refers to the prevention and extermination of pest infestations on your estate and/or block.
Lighting consumables	This cost can be a block or estate cost that covers replacement of any light bulbs.

Common services provided

Service	What that service covers
Electricity	A block charge for a 'landlord supply' that powers lighting, heating and any electric powered items in the communal areas.
Water	This charge covers the communal water supply which is generally used in the cleaning and grounds maintenance of a block.
Lift servicing and maintenance	Costs include maintenance and repair of lifts in the block.
Lift emergency phone	Costs for this are for the telephone line itself as well as any use of this line.
TV aerial/satellite	Costs include maintenance and repairs to the communal TV aerial or satellite TV system.
Examination fee	If there are more than four variable service charge units receiving services, we have the block or estate accounts independently examined.
Management fee	The management fee is a flat fee charged on a per unit basis. Previously many residents' management fee was a percentage of the service charge total but is now a more accurate set fee for services that we provide. Examples of these include staff costs for preparing service charge estimates and accounts.

Leaseholders' responsibilities

There are certain things which are the responsibility of the Leaseholder. Many are common sense, but it is important to remember many of them in ensure your safety and enjoyment of your

Water leaks: water leaks are commonly the cause of most insurance claims within flats. If you are going away for more than 48 hours then its best to turn off the water at the stopcock in your flat.

Fire safety: do not store petrol, calor gas or paraffin heaters in your flat or on balconies. Do not light barbeques on a balcony.

Fire evacuations: keep hallways and communal areas free of clutter such as bikes, prams, toys or rubbish sacks. These are dangerous in case of a fire and a trip hazard even if there is no fire.

Refuse: put all your rubbish in the bins or chutes provided. Large household items can be collected by your local council. Ensure you comply with any recycling provisions for your area.

Security: always make sure the communal block door is securely closed. Do not let anyone through a communal entry door if you don't know them.

Pets: restrictions on pets vary from lease to lease and you will normally need to get permission from the landlord or management company.

Satellite dishes and cable TV: most leases do not allow for leaseholders to fit their own satellites. If you do not have a communal dish ask your agent whether this is possible. Cable TV for a block will need to be routed through communal areas so you will need to ask for permission.

Insurance: the building will be insured by the freeholder but you should insure your own contents. Ensure your contents insurance includes cover if a leak from your flat damages the contents of a neighbour's flat as you will be liable. If you will be away from your flat for more than 30 days and the flat will be empty please tell your agent so they can let the insurers know. If you do not do so it can be the case that any claim for damage to your flat will be disallowed.

Gas servicing: If you have a gas boiler in your flat we advise you get this serviced annually by a Gas Safe registered engineer.

Alterations and Improvements: most leases will require the landlord's permission except for minor changes. Failure to ask for permission may result in delays when selling your property.

Noise: noise is the primary reason for complaints between neighbours. Please consider your neighbours and inform them of any unusual noise that may cause annoyance eg DIY works.

Wooden floors: wooden floors are often a big contributor with noise complaints because they transmit noise so easily. Carpets or rugs are a better choice in any flat and may be required in your lease.

Leaseholders' responsibilities



Subletting: permission from your landlord is normally required for subletting. You will need to provide your landlord with your or your lettings agent's contact details, the name and contact details of the tenant and a copy of your tenancy agreement with them. The tenant/s need to be made aware of what is expected in your block, particularly under the terms of your lease.

Keeping important information: keep paperwork such as service charge and ground rent demands, annual actual accounts and budgets in a safe place.

Repairs: as a leaseholder or shared owner you are responsible for repairs necessary inside your own flat however communal repairs are generally the responsibility of the landlord or freeholder. Please see the next page in order to get an idea of what works you would be responsible for as a home owner.

Who's responsible?



Type of repair	Location	One Housing	Leaseholder or shared owner
Plumbing works			
Clear communal blockage to main soil stack, rainwater pipes & gutters	Communal	✓	
Clear blockage or repair leaking waste pipe	Communal	✓	
Repair burst or leaking water pipe	Up to and including the main stopcock	✓	
	After the main stopcock in or to the flat or maisonette		✓
Repair or replace mains stopcock	To the block	✓	
	Inside the property		✓
Clear blockage or repair leaking waste pipe, trap & fittings including branches up to the soil stack.	Inside the property		✓
Repair or replace	Inside the property		✓

Who's responsible?



Type of repair	Location	One Housing	Leaseholder or shared owner
Heating and electrical works			
Heating and hot water	Communal	✓	
	Inside the property		✓
	Flue liner		✓
Rewiring	Communal	✓	
Renewal/repair of fittings	Communal	✓	
Repairs to assist (alarm system) apparatus		✓	
Repairs to communal door entry systems including all apparatus/headsets	Communal and inside the property	✓	
Repairs to all fuses	Inside the property		✓
Renewal of fuseboard	Inside the property		✓
Rewiring (up to lateral mains)	Inside the property		✓
Renewal/repairs of fittings	Inside the property		✓
Repair to individual door bells	Inside the property		✓
Ventilation system	Communal	✓	
	Inside the property		✓

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 six 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.

Frequently asked questions

Why have my charges gone up this year?

Some costs have risen. If costs increases are forecast, we will make an allowance for this in the estimate but if the changes happen in the middle of the year the actual costs may be higher than the estimated charges.

What is the difference between block and estate services?

We organise services by estate and block to ensure we only charge you for the services you receive. Depending on where you live you may receive only one or both types of services.

Block: When we provide services to carry out work to the communal area of a building, such as a lift, a block charge will be made. The cost of the repairs or maintenance will be shared between all units in a block.

Estate: An estate charge applies to services in the communal and public areas within an estate, such as roads and grass areas or play equipment. These costs will be shared between all blocks on the estate that have access to that service.

Why do I pay for services I do not use?

If a service is available to you but you do not utilise this service you still have to pay the cost. For example if you are charged for lift maintenance but always use the stairs you will still be liable to pay for this service as it is available to you whether you choose to use it or not.

Why am I being charged for water safety treatment/legionella testing?

Where there is a water supply that is held within a storage tank an annual assessment must take place. This is so we can make sure the supply is free of dangerous bacteria like legionella. This ensures you are safe and we are compliant with the Health and Safety Executive legislation.

Why am I paying more towards my service charge than my neighbour?

The cost is shared out amongst the units in a block or estate in a 'reasonable' way. This can be equally split but may also be based on rateable value, floor area or number of rooms. In some cases your lease may set out the method of apportioning costs.

Ways to pay

It's never been easier to pay your service charges and/or rent. Listed below are the most common ways you can make a payment:

Phone

You can contact your leasehold accounts advisor who can take card payments over the phone. We accept all major debit and credit cards, except American Express.

You can contact:

Mel Ali - Leasehold Accounts Advisor
Tel: 020 8821 5381
Email: mali@onehousinggroup.co.uk

Kulwinder Kaur - Leasehold Accounts Advisor
Tel: 020 8821 5203
Email: kkaur@onehousinggroup.co.uk

Direct Debit

It's never been easier to set up a direct debit. These can now be set up over the phone with your customer accounts advisor.

Telephone and internet

You can instruct your bank to make payment to us by using our bank details.

A/C name: One Housing Group

Sort code: 20-67-59

Account no: 93936074

Please make sure you use your agreement reference when making the payment.

If you're having trouble paying

If you are having trouble making payments, it is important that you contact your customer accounts advisor. They can help you get the right advice, make manageable agreements and refer you to services which can help you manage your money and assist you with your debt. Please note that failure to make payments for your rent or service charges could lead to legal action and ultimately losing your home.

Your health & safety

Gas safety checks

Do you have gas central heating? Are you having a gas safety check and boiler service every year? Keeping your boiler in good working order reduces your bills, prolongs its life and most importantly, keeps you safe. Make sure you complete an annual maintenance and safety check carried out by a Gas Safe Registered engineer. You can find out more by visiting www.gassaferegister.co.uk or calling 0800 408 5500.

Carbon monoxide

Carbon monoxide is a dangerous, invisible and odourless gas which can leak from poorly maintained flues. If your boiler is fitted at a distance from an outside wall you will have an extended flue in the ceiling or a duct system. To properly check the flue there should be inspection hatches providing access to every joint in the flue. If you don't have the hatches you will have to fit them. One Housing must be informed of the work and approve any changes.

We recommend that you fit a carbon monoxide detector and alarm in your home if you have any gas appliances. You can buy these at most DIY stores and over the internet. Combined carbon monoxide detectors and fire alarms are also available.

Further information on gas safety issues can be found on the Health & Safety Executive Website as follows: <http://www.hse.gov.uk/gas>

HIU servicing

An increasing number of properties operate a central boiler for the provision of heating and hot water to all flats. Where this is provided you would normally have an HIU (heat interface unit) in your property. This needs servicing once a year and the filters need to be cleaned. This is important as it can affect the flow to your property and others in the building. Failure to adequately service your HIU could be a breach of your lease. Your lease will detail the responsibility requirements, however generally these are the residents responsibility to maintain on a regular basis.

These can only be serviced by a qualified engineer as they are specialist units. We are happy to recommend approved contractors who are able to provide this service for you at competitive rates. For more information on this please contact your Home Ownership Advisor.

Future service

We are in the process of using our bulk purchasing power to secure a competitive inclusive 3 & 5 star service contract for our leaseholders. We will be forwarding details of this arrangement soon, however for more information on this service please contact your home ownership advisor.

Subletting

I want to sublet. What should I do?

Leaseholders must notify us of any subletting of their property. With shared ownership properties there are restrictions on subletting and this can only be done in certain circumstances. Please contact your home ownership advisor before you consider subletting your home. If you are able to sublet, you should apply for permission to do so under the terms of your lease and consider if you need legal advice. You may also need to inform your lender.

Advice

Use a reputable letting agency to manage your property, only issue your tenants with an assured shorthold tenancy and you must ensure that you provide us with a correspondence address and an emergency contact number.

Different agencies have different terms, so 'shop around' before you decide.

We recommend that you get your tenants to pay a deposit, however do remember that you have a legal obligation to ensure it is protected with one of the statutory deposit protection schemes. More details on subletting your property can be found on our website citystyleresidential.co.uk and our leaseholder handbook.

Citystyle Living

One Housing already operates a long standing and successful private rented business, Citystyle Living. This has the advantage of only needing to deal with one party to let your property and we can ensure a streamlined property management service at competitive rates.

If you are looking for a reputable managing agent to let your property, contact our Citystyle Living team on 0300 123 2033, email csl@citystyleliving.co.uk or visit citystyleresidential.co.uk.

Notes

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Useful contacts

Customer Contact Centre

For repairs and maintenance related enquiries and out-of-hours

0300 123 9966

repairs@onehousinggroup.co.uk

Customer Accounts Duty Line

For rent & service charge enquiries, payments, welfare reform advice and balances.

020 8821 5184

Employment & training

Our Employment and Training Service offer specialist advice and assistance with accessing training and job opportunities

020 7428 4193

National Debtline

Clear, confidential debt advice.

020 7428 4193

www.nationaldebtline.co.uk

Offices

North & Central Region (Head Office)

100 Chalk Farm Road
London
NW1 8EH

East Region

Suttons Wharf South
44 Palmers Road
London
E2 0TA

Island Region West Region

Millwall Local Housing Office
12 The Quarterdeck
London
E14 8SJ

West Region

Ground Floor
25-27 Broadway
Maidenhead
SL6 1LY