

# Actual annual service charge

April 2023 to March 2024

**Do you want to get involved?**

There are a number of ways that you can get involved in the management of your estate. Further information can be found here: [www.southwark.gov.uk/housing/housing-getting-involved](http://www.southwark.gov.uk/housing/housing-getting-involved)

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## Estimated and actual service charges

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Service charges represent a share of our costs of providing and maintaining services to your block and estate. You are required to contribute towards these costs under the terms of your lease or, if you are a freeholder, your transfer of part.

Before the start of the financial year we have to send you a reasonable estimate of the amount we expect the service charges to be. You should pay these estimated charges in advance on 1 April, 1 July, 1 October and 1 January. Alternatively, we accept 12 monthly payments from April to March.

After the end of the financial year, we prepare our final accounts with details of what was actually spent on providing the services to you. If we have overestimated the charges, you will receive a credit on your account, but if we have underestimated the charges, you will receive an invoice for the additional cost(s). The next billing run will take place in February 2025 for the estimates for the 2025/26 financial year.

Freeholders are not sent estimated charges and are only invoiced after the end of our financial year once we have finalised the charges.

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## What do my service charges cover?

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The communal services you receive vary according to where you live and the type of property you own. For example, if you live in a flat on an estate, you will receive more services than if you live in a flat within a street property. The services that apply to your home are shown on the breakdown sent with this leaflet. Where a service is provided to both your block and estate we have shown the charge for each. A list of the services that can be provided by the council is detailed on the following pages, together with an explanation of how we calculate the costs.

You may also be charged for major works to your block or estate, or your building if you own a converted flat in a house. If so, you will be consulted about the works before they start. You will be invoiced separately for these works.

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## How we make our calculation

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The charge to you is based on the direct and indirect relevant costs to the council of providing each individual service.

All calculations have been based on the cost of providing the service to your block and estate except where stated in the following sections.

If you bought your home from the council, between April 2023 and March 2024, we have worked out the charges from the date of your purchase to 31 March 2024. If you bought your home from another leaseholder, it is your responsibility to liaise with the previous owner regarding the excess charge or credit.

For all services, except building insurance, we calculate the charges based on the size of your property. This assumes that each property has four basic rooms, which we call units – bathroom, kitchen, living room and hallway. We then add the number of bedrooms to come to a total number of units for each property.

For example, a one bedroom property has five units, while a three bedroom property has seven units. We apportion the cost of providing services to a block or estate by the total number of units to give a cost per unit. This is multiplied by the number of units in your property to come to your charge. This means that the owner of a three bedroom flat will pay more than the owner of a one bedroom flat in the same block.

# Services provided

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## Care and upkeep

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This charge is for the cleaning and upkeep of external and internal communal areas such as balconies, corridors and lifts as well as walkways on the estate. It is based on the hours the contractor's staff spent cleaning your block and estate. It may include the provision of refuse containers and delivery of refuse sacks and multi level collection for some blocks, which is separate from the refuse collection service paid through your council tax.

We have shown separate charges for your block and estate in the breakdown enclosed with this leaflet. Your resident services officer or Tenant Management Organisation (TMO) monitors the standard of cleaning and has regular meetings with the cleaning managers and residents to resolve any issues raised by the residents.

## Estate grounds maintenance

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This charge is for maintaining communal land on estates including flowerbeds and grassed areas. It may include a charge for the maintenance of trees on your estate. The charge is based on the hours the contractor's staff spend maintaining your estate. Your resident service officer or TMO monitors the performance of the contractor.

## Lighting and electricity

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This charge covers the maintenance of lamp columns and replacement of light bulbs on your block and estate. It may include the cost of electricity supplied to all the lighting, including entrance halls, balconies, stairwells, on the estate grounds and electrical testing.

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## TV aerial

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This covers the provision of a communal television aerial to your block if it is provided and costs have been incurred.

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## Entryphone

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Where provided, the door entryphone charge covers the cost of its repair and maintenance.

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## Heating

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We provide heating and hot water to some blocks and houses. The heating charge is based on the cost of running the boiler house and plant rooms serving your property and is made up of a number of different elements:

- The amount of fuel used
- An annual contract sum for planned and preventative maintenance – making sure that all equipment is regularly serviced and in good condition
- Electricity to power the boiler and plant rooms
- Reactive repairs – repairs which fall outside the main contract. These will consist of repairs in the boiler house and mains pipework as well as repairs to heating and hot water systems in individual properties (non boiler repairs)
- Direct and indirect management costs – heating engineers, energy management and council officers who manage the district heating contract.

The costs of running the boiler and the plant linked to the boiler house are added to give a heating estate cost. This total amount is apportioned between each property receiving heating or hot water from that boiler house based on the calculation explained above.

We also take into consideration whether you receive full central heating, partial heating or hot water only by applying the following weighting factors to your property:

- Properties which receive full central heating and hot water are allocated a weighting factor of 4.52
- Properties which receive full central heating but no hot water are allocated a weighting factor of 3.52
- Properties which receive partial heating are allocated a weighting factor of 2.5
- Properties which receive hot water only are allocated a weighting factor of 1.

Our own heating engineers manage the heating contractors. For those properties with heat meters the gas element of your charge is based on your individual reading. Please refer to your heat meter statement for more details on how this is calculated.

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## Lifts

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We look after your lifts, making sure they are in good repair. We use a contracted company to maintain the lifts and pay them a fixed amount each year. We review the lift servicing contract every two years. The current contract includes a monthly maintenance check and allows for the contractor to be paid for each call out. Lift contracts are made up of:

- Annual planned and preventative maintenance measures (PPM), to ensure all equipment is regularly serviced and is in good condition.
- Reactive repairs, relating to work which falls outside the PPM contract
- Electricity
- Lift monitoring (phones/alarms) and lift inspection costs, which are a requirement of our lift insurance policy
- Direct lift management and other overhead costs (lift monitoring engineers).

The first four costs are based on the lift(s) in your block, but the last cost is divided across all lifts in the borough using the bed weighting method explained above. Our own lift engineers monitor the performance of the lift contractor.

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## Security services

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If your block benefits from additional security measures such as a concierge, CCTV or private security, then we will charge you a percentage of the costs of these services.

We have given a higher weighting, of 30 per cent, to blocks where a concierge is located, as they receive extra services which are not received by other blocks, which benefit from CCTV and security services.

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## Responsive repairs

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We may have to make repairs to the structure and communal parts of a building or repairs to the communal parts of an estate. This charge is calculated based on payments to our contractors for the repair.

This charge will also include maintenance to any communal water tanks provided in the block and may include pest control measures taken in the block.

You have only been charged for repairs carried out on your own block or estate, based on the number of bedrooms in your property. As the costs have now been finalised, you can request a report of the individual jobs you have been charged for at [www.southwark.gov.uk/requestyourservicechargebreakdown](http://www.southwark.gov.uk/requestyourservicechargebreakdown). We have charged freeholders for any repairs on the estate and in some cases repairs to the block for shared elements.

You can request a repair to the external part of your block or to a communal area by sending an email to [repairs@southwark.gov.uk](mailto:repairs@southwark.gov.uk), online at <https://www.southwark.gov.uk/housing/repairs>, or accessing your MySouthwark account to report and track your housing repairs at [www.southwark.gov.uk/mysouthwark](http://www.southwark.gov.uk/mysouthwark) or by telephoning our repairs service on 0800 952 4444. Any non-structural repairs to the internal parts of your home are your responsibility.

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## Building insurance

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Under the terms of your lease, we have to insure your flat and the building against a range of risks. The most cost effective way for us to do this is to arrange cover for all leasehold properties with a single insurer, which from 1 April 2023 is Protector. However, if you own a freehold, underlease house or shared equity house, you must arrange your own buildings insurance.

The 2023/24 estimate was calculated based on the number of bedrooms, the type of property and the height of the building, which was before we entered into the new contract with Protector. Since the start of the new contract from 1st April 2023, the way we calculate the insurance has changed under the new contract. Your buildings insurance is now calculated based on the sums insured and bedroom size.

The insurance covers all insurable risks and you can request a key facts policy summary and booklet giving more details. For further details of the current building insurance policy for home owners, including a summary of cover and how to request a claim form, please go to [www.southwark.gov.uk/homeowners](http://www.southwark.gov.uk/homeowners).

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## Overheads

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Overheads are the costs, such as staff salary costs for council staff involved in managing communal services. They also include office and IT costs, transport costs, communications, enquiries and complaints.

An element for overheads is incorporated in the charge for the services listed, as it is an integral part of the cost of providing a service.

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## Administration fee

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We charge you a fee for administering your service charge account. This amounts to 10 per cent of the total of your service charge as outlined in your lease (third schedule).



This fee covers costs over and above those already explained, including:

- Staffing and office costs of parts of the homeownership services that deal with service charges
- The calculation, billing and collection of service charges
- Providing information about your service charge account and general information on all aspects of home ownership
- The administrative and IT costs of calculating and sending you invoices, and accounting for payments made.

The administration fee is different to the direct and indirect management costs for individual services; these are covered under overheads, on page 8. Tenant management organisations (TMOs) have a different arrangement for payment of their administration costs.

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## **Ground rent**

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If you own a flat or maisonette, you are required to pay a set annual fee for renting the ground from the council. This is set out in your lease.

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## **Tenant management organisations (TMOs)**

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For properties managed by a TMO, charges are based on information provided by the TMO for services they provide. These services can include care and upkeep, grounds maintenance, estate lighting and repairs. The charges are based on the actual costs of providing these services to your block or estate for 2023/2024. Where the council provides a service, we have calculated the cost as explained in the previous sections. If you have a query or complaint regarding the services provided or managed by your TMO, you should raise these directly with the TMO.

# Other information

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## Queries regarding your service charges

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The service charges for 2023/2024 have now been actualised. If you have any queries about your service charge account, then please visit [www.southwark.gov.uk/homeowners](http://www.southwark.gov.uk/homeowners). If you have a query about the standard of service provided to you, we may refer you to your service provider or TMO office.

You can raise a concern regarding the standard of service at any time by emailing your resident services officer using one of the addresses below, depending on your property's location – [centralhousing@southwark.gov.uk](mailto:centralhousing@southwark.gov.uk), [northhousing@southwark.gov.uk](mailto:northhousing@southwark.gov.uk), [southhousing@southwark.gov.uk](mailto:southhousing@southwark.gov.uk)

If your name or address is incorrect on the mailing list, then you can amend this by going to [southwark.gov.uk/homeownerschanges](http://southwark.gov.uk/homeownerschanges)

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## MySouthwark online services

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MySouthwark is a housing online facility that will enable you to:

- View the total balance outstanding on your service charge account(s)
- View the original amount and current balance of individual invoices
- View subsequent transactions against individual invoices
- Get a statement
- View the individual services making up each invoice. You will also be able to report repair issues and check the current repairs reported against your property.

Southwark council is working towards moving to an e-billing system, and you will have the option to opt in to it. If you have not already done so then please sign up online at [www.southwark.gov.uk/mysouthwark](http://www.southwark.gov.uk/mysouthwark). For a step by step guide to use your online account visit [www.southwark.gov.uk/homeowners](http://www.southwark.gov.uk/homeowners)

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## Text messaging

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Alongside the housing online portal we offer a text message facility so that we can text homeowners with your service charge account updates. Within

the text message there are details of using the online payment option and the benefits of managing your service charge account(s) online.

We will never ask you for your personal or financial details via text message.

We want to ensure we are being proactive in assisting our homeowners by re-directing you to our many other payment options.

An example of the wording of the text message that you may receive from us is as follows: This is Southwark Council, Home Ownership Services. Please contact (name of Homeownership account officer) on (telephone number) regarding invoice (number). You may review our ways to pay by visiting [www.southwark.gov.uk/payforit](http://www.southwark.gov.uk/payforit) and you can also now view your service charge account on-line at [www.southwark.gov.uk/mysouthwark](http://www.southwark.gov.uk/mysouthwark)

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## Contact us

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**Home Ownership Services, PO Box 71994, London SE1P 5FW**

Please note that some of our services are now only offered online or via our postal address, including requests for breakdowns and refunds. Please go to <https://www.southwark.gov.uk/home-owners-services/contacting-us> for further information. We aim to provide a high quality service. If you have any suggestions on how we can improve, please contact Home Ownership Services.

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## Terms of payment

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If you are a leaseholder, and you have received an invoice from us, under the terms of the lease payment is due within one month. If this presents a problem for you, please contact your Homeownership account officer as soon as possible.

If you are a freeholder, under the terms of transfer of part payment is due within one month, alternatively we can agree to a 12 equal monthly instalment ending in September 2025. Please arrange this with your homeownership accounts officer by visiting [www.southwark.gov.uk/payingyourservicecharges](http://www.southwark.gov.uk/payingyourservicecharges)

# Methods of payment

We accept payments online, through your bank, by telephone and by post.

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## Online by debit or credit card

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Online at [www.southwark.gov.uk/payforit](http://www.southwark.gov.uk/payforit) and follow the instructions under the heading 'Pay my Service Charges'.

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## Direct to bank account via BACS

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To use this method, please quote our sort code 62-22-32 and account number 27540022, together with your invoice number as reference.

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## By standing order

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If you are going to set up your standing order directly with your bank then please quote your invoice number as the payment reference. You are responsible for informing your bank of any changes needed when they are required.

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## By phone with a debit or credit card

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Using the 24 hour automated debit or credit card telephone payment line service on 0345 6000 611 – option 6. Please quote your ten digit invoice number, starting with a 5.

# Service charges: Help and advice

The terms of your lease specify that you must pay service charges. If you fail to pay within the time limits defined, you will be in breach of the lease, and may ultimately risk losing your home. For this reason it is important that you let us know as soon as possible if you are having trouble paying your service charges or if there is any aspect of the charges that you do not understand.

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## Additional information on service charges

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You can find information on the charges themselves in the leaflets that accompany the invoices, particularly:

- The 'Tenants Rights and Obligations' leaflet, which explains your responsibilities and rights as a leaseholder
- The leaflet 'Annual Service Charge Actual', details how the charges are broken down.
- If you're a leaseholder then you can find further information about leasehold ownership on the official government website by following the link [www.gov.uk/government/publications/how-to-lease](http://www.gov.uk/government/publications/how-to-lease)

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## If you are having trouble paying or wish to seek independent advice

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If you are having trouble paying, it is important that you let us know. You may also get independent advice from a number of other sources listed overleaf.

**Southwark Homeowner Services website** has comprehensive information on homeownership. It is also a gateway to a wide range of online services such as access to your online account, paying your service charges and mysouthwark homeowner service.

 [www.southwark.gov.uk/home-owners-services](http://www.southwark.gov.uk/home-owners-services)

**Citizens Advice Southwark** offer an independent advice service aimed specifically at leaseholders. They can also help you to claim Universal Credit. If you need help then call them on the number below.

 0800 144 8 444

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

**London Mutual Credit Union** is a financial co-operative that exists for the benefit of our members who live and/or work in Southwark, Lambeth, Westminster or Camden.

 020 7787 0770

 [www.creditunion.co.uk](http://www.creditunion.co.uk)

 [info@creditunion.co.uk](mailto:info@creditunion.co.uk)

**The Money Advice Service** set up by the government to offer free and impartial advice.

 0800 138 7777

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

**National Debtline** offer free independent and confidential advice and are available to discuss options that may be available to you.

 0808 808 4000

 [www.nationaldebtline.org](http://www.nationaldebtline.org)

**Step Change** offers free debt and financial advice and mediation service

 0800 138 1111

 [www.stepchange.org](http://www.stepchange.org)

**The Leasehold Advisory Service (LEASE)** is a government funded body providing free advice on leasehold law.

 020 7832 2500

 [www.lease-advice.org](http://www.lease-advice.org)

**The Local Support Team** offers an income maximisation service for the vulnerable or disabled. The team are also responsible for administering the Hardship Fund and the Southwark Emergency Support Scheme, helping customers who are facing severe financial difficulties.

 020 7525 2434

 [www.southwark.gov.uk/benefits-and-support](http://www.southwark.gov.uk/benefits-and-support)

 [localsupport@southwark.gov.uk](mailto:localsupport@southwark.gov.uk)

# Gas servicing for leaseholders

It's essential that you service your boiler every year. If you let your property it is a legal requirement. You can take advantage of the servicing contract the council uses to maintain the boilers in our tenanted properties. If you are interested please contact us. Please note that you can only join the scheme if you have your own gas boiler.

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## What we are offering:

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- A full service of your gas boiler
- Inspection of all other gas internal space heaters
- A Gas Safety Certificate will be issued once the boiler is certified safe by the Gas Safe registered engineer

The cost of the service is £120.67. Please note if your boiler is non-operational then the contractors will not be able to carry out a service.

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## How to apply for the scheme

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For further information and to pay for the service please visit [www.southwark.gov.uk/gas-servicing](http://www.southwark.gov.uk/gas-servicing)

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## If you do not want to join the scheme

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You do not have to use our contractors to carry out your gas servicing, but it is essential that you have your boiler and other gas appliances serviced annually. We need proof that your boiler and gas appliances have been serviced so please send us a copy of your Home Owner Record or Gas Safety Certificate which is supplied by whoever carries out the service.