

## **Leasehold Service Charges – Questions & Answers Changes introduced in April 2011.**

### **1. Why have my Service Charges increased?**

The April invoice charges are based on estimates and the October invoice will reflect final figures for the year.

**The Management Administration Cost** element of all the Leasehold Service Charges has risen to £194.78 per year. A rise of £129.14 a year, this increase follows the review of this one element and was agreed by full Council.

Information about this was supplied to all Leaseholders with the Ground Rent Notice sent out on 22<sup>nd</sup> February 2011.

Any change to this amount will be reflected in the October invoice. This element will be reviewed each year to reflect the cost of the services.

**What is the Management Administration Cost** - This element is your contribution to the cost of the services provided by BCH Homeownership and the other BCH services supplied to Leaseholders, details are published on web site <http://www.bch.co.uk/leaseholdersRIB/RTBbuyingacouncilflat.htm>

**Security & CCTV charges** The cost at £598.00 per year for each Leasehold account which has this service is based on the weekly tenant charge of £11.50 per week. This is the charge made for the service, any change to the service will be reflected in the cost.

**Door Entry System** This is a new charge made to those accounts which have a communal door entry system and the cost is based on the weekly tenant charge.

**Electric Maintenance Contract and Electric Supply** charges are based on the weekly tenant charge.

Note: Weekly tenant rent is being “de-pooled” so that tenants like Leaseholders can see the different services they receive and the cost of that service. We are reviewing Leasehold Service Charges to make sure Leaseholders pay the same as tenants. The rule is weekly rent can not be used to subsidise Leasehold Service Charges and Leasehold Service Charges can not be used to subsidise weekly rent.

### **2. Why have I got more than one invoice?**

The new housing management computer system has been introduced for Leasehold accounts and the way we can produce invoices and schedules is set by the computer system. **You will also have a new account number which should be used when paying or corresponding.**

- There is one invoice for the Ground Rent and Buildings Insurance premium – these are annual charges.
- There is an invoice for the Service Charges which are payable twice a year.
- There is now a separate invoice for any cost payable for programmed works, this will enable you to make separate payment arrangements for these costs.