

Your guide

to fixed service charges

Your service charge is the money you pay towards the day-to-day running costs of the scheme where you live.

Depending on where you live, the service charge could cover:

- management fee
- buildings insurance
- grounds maintenance
- cleaning to shared areas
- lighting of shared areas
- bin hire
- fire safety equipment
- communal TV aerial maintenance
- lift maintenance
- door entry systems
- sinking fund and/or depreciation (the money put aside for long term replacement of things like lifts or decorations to shared areas).

A fixed service charge means that you pay a known amount every week or month and the figure does not change during the rental year.

A fixed service charge is based on how much we know or estimate it will reasonably cost to run the services in the scheme/block where you live. If there is any shortfall in this budget, L&Q pay to cover it. If there is any surplus in this budget, it is retained by L&Q.

Each year (in February), we will send you an estimated service charge for the forthcoming financial year. Our financial year runs from the first of April to the thirty first of March. We do

our best to make this as accurate as possible and base it on what we spent in previous years along with our knowledge of issues where you live. We'll send you a statement outlining the estimated costs.

Your questions answered:

Why do you send me so much paperwork?

We need to be open and transparent with you and we want to act fairly and responsibly.

We also need to comply with legislation which seems to be constantly changing. The Section 13(2) Rent & Service Charge Notice which we send you is the legal document which states your new rent and service charge.

How do you assess the increase in the net rent?

Your total weekly charge consists of a net rent, service charge and other charges such as water rates. Housing associations have to increase their net rents in line with government legislation which is effective until 2012. The legislation means that net rents are increased using a formula, which is currently:

$$\text{New rent} = \text{current rent} \times \text{retail price index (RPI)} + 0.5\% + (\text{then up to } \pounds 2 \text{ per week in addition}).$$

The service charge is excluded from this calculation.

We increase the great majority of L&Q rents using this formula. The only exceptions are those where there is already another formula written into the tenancy agreement or where a rent guarantee agreement is in place.

Do I need to let Housing Benefit know of the changes?

We will tell your local housing benefit office of any changes to your rent and service charge and will work with them to help keep your records up to date but it is your responsibility to check that they have received and acted upon this information.

The date that your housing benefit reaches your account may not match the dates of the period it relates to – sometimes it is paid in advance but more often it is paid in arrears.

What if I don't agree with the items on the service charge schedule?

Please tell us by initially contacting our Housing Services Team on 0800 015 6536.

We admit (with the sheer volume of schemes we manage) that we can make mistakes and so we appreciate it if you point out any errors or anomalies. We'll investigate your query and get back to you but please note that it may take a few weeks to check and correct matters.

The right to appeal

Net rent – If you're unhappy with the proposed net rent, there is the possibility of appealing to the independent Rent Assessment Committee.

The Rent Assessment Committee is an independent semi-formal committee of two or three people (usually a lawyer, who is often the chair, a valuer and a lay person). They will review the case afresh but, in order to pursue this, you need to make a written application.

Who do I contact?

All applications need to be made on the relevant forms. These are available via the website 'www.rpts.gov.uk' or you can write and request one from:

Rent Assessment Committee
10 Alfred Place,
London WC1E 7LR

If you need any more information, please contact:

L&Q Direct
PO Box 194
Sidcup
Kent
DA15 0AJ

Phone

0800 015 6536

E-mail

LQdirect@lqgroup.org.uk