

SERVICE CHARGES, GROUND RENT AND ADMINISTRATION FEES



Service Charges

Under the terms of your lease you are required to pay service charges which are your share of the costs of maintaining and managing the building in which your flat resides. Your service charges are made up of block services, block repairs, buildings insurance and management costs.

The council's preferred method of payment is **Direct Debit**. You can download a direct debit mandate [here](#).

Block services: These vary from one block to another and one estate to another. Examples of services provided include: grounds maintenance, estate management, caretaking, communal cleaning, lifts and door entry.

Block repairs: The Council will estimate the amount it thinks it will cost to maintain your block of flats over the coming year. This will be adjusted when the actual account is known. Examples of day to day repairs include: replacing communal light bulbs, repairing guttering or fixing a slipped roof tile. If any major communal or structural works are required and individual contributions will be more than £250, leaseholders will be notified by way of a Section 20 notice, as legally required. Once the work is completed you will be charged in your service charge actuals.

Buildings insurance: We insure you against loss of (or damage caused to) the building. Please see the separate advice note which talks about buildings insurance in more detail.

Management costs: The management costs cover your contribution for:

- The costs of managing the service, including the staff on hand to answer any queries you may have.
- The costs involved in calculating your service charges.
- The administrative costs to send out your invoices every three months and collect your payments.
- The administrative costs of dealing with any repairs to the block.
- The administrative costs of dealing with insurance claims.

Reviewing service charges: We review your service charges every year. The amount you pay is based on the services associated with your flat and the block. You will be sent your annual service charge *estimate* in February each year. This is how much we expect your services to cost for the coming year and we invoice this amount in four quarterly instalments in arrears in June, September, December and March and you must pay these invoices promptly.

In September of the following year you will be sent a summary of the *actual* costs of providing each service for the previous financial year.

If you have paid too much we will credit your account with the difference and this can be used to offset future invoices. If you have paid too little you will be asked to pay the difference and issue you with a Reconciliation Invoice.

Querying the charges: If you do not agree with your charges or would like to query the amount you are being charged please contact the Home Ownership Team in the first instance.

If you are not satisfied you can apply to the First Tier Property Tribunal to decide:

- Whether a service charge is reasonable; and
- Who must pay the charge.

You can apply to the tribunal whether or not you have made a payment. The address is:

Residential Property Eastern Region - First-tier Tribunal (Property Chamber)

Cambridge County Court

197 East Road

Cambridge

CB1 1BA

DX: 97650 Cambridge 3

Opening hours: Enquiry line Monday to Thursday 9am to 5pm, Friday 9am to 4:30pm

Email Enquiries: rpeastern@justice.gov.uk

Telephone enquiries: 01223 841 524

Ground Rent

In addition to your service charges, there is also a rent charged to all leaseholders by the Council. It is due annually in advance. The amount, usually £10 is stated in your lease. If you pay your service charges by direct debit, you will see your direct debit increase once a year to collect the ground rent. If you pay by a manual method you will be sent a cash invoice which is to be paid within 14 days.

Administration Fees

We charge administration fees for certain services that we offer. These fees are reviewed annually and any changes are agreed at Housing Committee.

Fees for 2020/21	Charges
Solicitors' pre-sale enquiries (Standard Sales Pack)	£110.00
Copy of lease/Document Provision	£30.00
Remortgage Enquiry/Copy of Insurance schedule	£30.00
Notice of Assignment/Notice of Charge	£90.00
Deed of Variations – Administration Plus CCC Solicitor fees and own solicitor fees	£50.00 £550.00+
Home Improvement Administration Home Improvement Survey (structural works)	£30.00 £125.00
Retrospective consent for improvements	Above + £25.00
Registering sub-let details	£50.00
Advice interview for Prospective Purchasers	£50.00
Legal Fees	
Right of First Refusal – S156a Certificate	£150.00
Deed of Postponement	£140.00

How do I pay?



By direct debit: The easiest way to pay is to set up a direct debit through your bank. You can either pay on the 1st or 15th of the month, monthly or quarterly in arrears.

Online: New Customer Online Portal We now have a brand-new portal which will allow you to:

- Check your service charge account
- Print out your own service charge statement
- Pay your service charge online
- Set up a Direct Debit
- View the repair history to your block of flats and send messages about communal repairs
- Amend some of your personal details held on the system
- Access some Frequently Asked Questions and Answers

To register you need to enter your details on the Council's 'My Cambridge Portal' at the top of Cambridge City Council's homepage: www.cambridge.gov.uk

Once you have access to your 'My Cambridge' account, click the Council Tenants and Leaseholders Tile, then click Log in or Register to access the Tenant and Leaseholder portal. This will ask you to register with information based on your leasehold account, such as your address and Tenancy ID which is on all your leaseholder correspondence (900XXXX).

By phone: The Council has an automated payment line. Please call 01223 457779 and select the option 'service charges' you can also pay your ground rent using this method. You will need your service charge account number.

In person: You can pay by cash, debit or credit card at City Homes on Arbury Road or at the council offices at Mandela House on Regent Street. You can also request a payment card to enable you to pay at any Post Office or outlet displaying the *Pay Point* logo. Please check opening times.

What if I cannot afford to pay my service charges?

If you are unable to pay the amount owed, please contact us immediately. We will discuss the matter with you and ensure that you receive all the help to which you are entitled.

It **may** be possible to agree that you can pay off your arrears by instalments. We may ask for you to complete a financial statement and provide banks statements before we can make a decision.

What happens if I do not pay my service charges?

We will first write to you to tell you that your account is 'in arrears' (you have missed payments). We will ask you to contact us to discuss ways to pay the arrears. If you do not make contact with us, the Home Ownership Officer may call, visit or email to try and discuss your arrears.

If you fail to make a payment you will be breaking the main contract term of your lease agreement. We may take legal action to recover the money you owe by issuing court proceedings or write to your mortgage company asking them to make payment. Both actions are likely to incur further charges and may seriously affect your credit rating.

If we take you to court and you still do not pay the money you owe, you may end up losing your home.