

Your Annual Leasehold Charges Guide



St Albans
City & District Council

Housing Management

Housing Services

Tenant Open Day

Saturday 13th October 2012

St Albans City & District Council
invites you to come to the
Tenants' and Leaseholders' open day
on Saturday 13th October 2012
at Civic Centre, Peter's Street, St Albans
between 11:30 am and 3:00 pm.
Free parking available.



St Albans
City & District Council



Your Annual Leasehold Charges

The Leasehold Service Charges you have been invoiced for vary according to where you live, the type of property you have, and the obligations that are set out in your lease. For example, if you live on an estate, you will receive more services and repairs than if you live in a maisonette. Your Leasehold Service Charges are your share of what it costs us to provide these services.

What have I been invoiced for?

You have been invoiced for the following (where appropriate to your leasehold property):

Service Code	Service description	Explanation	Time period covered
ADMI	Management charge	This covers the Council's costs for managing its leasehold properties. It includes staffing costs and overheads and is based on a banding system (A to D)	1st April 2012 to 31st March 2013
CLTG	Communal lighting	The cost of electricity to power communal lighting and electricity in the block where you live. This does not include the cost of replacing light bulbs, resetting timers or other repairs to lighting	1st April 2012 to 31st March 2013





Service Code	Service description	Explanation	Time period covered
CHTG	Central heating charge	The cost of gas used to provide heating and hot water to your property from the communal boiler (where applicable). This does not include repairs and maintenance carried out to this service.	1st April 2012 to 31st March 2013
CTAK	Caretaking	The costs of providing a caretaker to the block/estate where you live	1st April 2012 to 31st March 2013
GDRT	Ground rent	A fee paid by you as the leaseholder to us as the freeholder as stated in your lease.	Time period stated in your lease
GRDM	Ground maintenance	The cost of maintaining the communal gardens within a block or estate including grass cutting, sweeping of hard standing surfaces, weed control and shrub bed maintenance.	1st April 2012 to 31st March 2013
INS	Insurance	The cost of providing buildings insurance cover. This includes cover for the structure of the building and the shared areas that we as the landlord maintain. It does not include loss or damage to your contents.	1st March 2012 to 28th February 2013
IRCH	Individual repair charges	The cost of any work we carry out that is exclusive to your property. For example, repairs to your windows.	Actual costs incurred from 1st April 2011 to 31st March 2012





Service Code	Service description	Explanation	Time period covered
MAJW	Major Works	The cost of any planned maintenance such as roof replacement works, window replacement works, electrical rewiring, painting and decorating of communal areas.	Dependent on project and are based on actual costs incurred.
REPS	Responsive repairs	The cost of day to day communal repairs	Actual costs incurred from 1st April 2011 to 31st March 2012
SCL	Steam cleaning	The cost of cleaning bin chambers and bin chutes using a high pressure steam cleaner.	1st April 2012 to 31st March 2013
TREE	Tree works	The cost of work to trees in communal areas	Actual costs incurred from 1st April 2011 to 31st March 2012
WCL	Window cleaning	The cost of cleaning the windows to common parts. This does not include cleaning the windows of your own property.	1st April 2012 to 31st March 2013

You may have taken occupation of your leasehold property after the invoicing period. However, as the lease is an Assignment i.e. the transfer of a property from one person to another, the leaseholder in occupation must settle these Service Charges. You should have been informed of this by your solicitor during the legal process as we send out a Leasehold Information Pack (LIP) to the solicitor during the sales process which includes this information, and, negotiation of apportionments of Service Charges settled between the previous vendor and you via your solicitor.



Repayment methods

The table shows the interest free repayment methods that are available to you.

£	Repayment Method	Who is Entitled
349 or less	Minimum of £50 per month by direct debit or standing order	ALL*
350 to 1799	Up to 12 months interest free by direct debit or standing order	ALL*
1800 to 4999	Up to 24 months interest free by direct debit or standing order	ALL*
5000 to 9999	Up to 36 months interest free by direct debit or standing order	Owner Occupiers Only**
Over 10,000	Up to 48 months interest free by direct debit or standing order	Owner Occupiers Only**

* Please seek alternative finance if you would like to pay your invoice over a longer repayment term.

** If you do not live at the leasehold address and/or sublet the leasehold property you will only be entitled to an interest free repayment term of up to 24 months for service charges over £5000.

Citizens' Advice Bureau (CAB)



Your local CAB advice centre will be able to provide you with financial counselling and confidential debt advice. The CAB may also be able to help find a reputable lender for people on benefits and pensioners on low incomes facing large bills.



How can I pay my Service Charges?

CHEQUES

Please make cheques payable to: '**ST ALBANS DISTRICT COUNCIL**' quoting your owner account reference number on the reverse of the cheque and return it in the pre-paid envelope provided.

ONLINE PAYMENTS

Payments can now be made online, go to **www.stalbans.gov.uk** and follow the link 'Paying your rent'. and select OPTION 2 for housing rents and garages. Please enter your eight digit owner account reference number stated on your invoice. Your card details will be taken and payment authorised on-line.



AUTOMATED TELEPHONE PAYMENTS

Debit/credit card payments can now be made 24 hours a day seven days a week. Simply telephone **01727 862956** and select OPTION 2 for housing rent and garage rents. Please enter your eight digit owner account reference number stated on your invoice. Please follow the instructions provided.

STANDING ORDERS PAYMENT INFORMATION

If you choose to pay by this method, please contact your Bank or Building Society to obtain a Standing Order instruction form.





The Council's bank details are as follows:

HSBC, 30 Chequer Street, St Albans, Herts

Sort Code: **40-40-01** Bank Account Number: **01403818**

Please quote your owner account reference number in full as a payment reference.

Correct administration using this payment method is a matter between you and your Bank or Building Society.

DIRECT DEBIT

Payments can be collected on the first or fifteenth working day of each month by Direct Debit. A Direct Debit form has been enclosed with your Statement of estimated annual service charges and ground rent. Once the direct form has been completed please return it in the pre-paid envelope provided. We will inform you of the monthly instalments.

TEXTPHONE

For further information customers with a hearing impairment please contact the District Council's textphone service on **01727 819570**.

What if I have problems paying my Service Charges?

If you are having difficulties paying your Leasehold Service Charges please contact the Leasehold Management Officer on **01727 819578**. Advice is also available from the Citizen's Advice Bureau (CAB). You can contact CAB on **01727 811118**. Please do not ignore this invoice as failure to act may result in final demands as legal action may be taken against you.

What if I disagree with the charges?

If you feel we have worked out some charges incorrectly you must contact the Leasehold Management Officer in writing





(emails accepted) within one month of getting your invoice. Tell us what you think is wrong and we will look into it. We always attempt to calculate charges fairly and correctly but we will investigate and respond to any disputed charge.



You also have the right to apply to the Leasehold Valuation Tribunal (LVT), an independent decision making body which is completely unconnected to the parties or any other public agency. The LVT will look at the matter of the Leasehold Dispute for the property following an application to the LVT. Both parties must abide by their decision.

For further information on the Leasehold Valuation Tribunal please contact the Leasehold Management Officer. Their address and telephone number is listed at the back of this booklet.

What if I fail or refuse to pay my service charges?

Failure to pay your Leasehold Service Charges will be breaking the terms of your lease and possibly your mortgage agreement. If we do not receive a payment we may instruct our legal department to start proceedings against you. You may then have to pay extra legal and administration charges.

We may take further action in accordance with our arrears procedure which may include contacting your mortgage provider and informing them of any outstanding invoices.

In extreme cases the court may decide that you have seriously broken the terms of your lease and give us possession of your flat. If you do not pay your Leasehold Charges you could lose your Leasehold property.






SECTION 21B OF THE LANDLORD AND TENANT ACT 1985 AND SECTION 153 OF THE COMMONHOLD AND LEASEHOLD REFORM ACT 2002

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 a leasehold valuation 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.

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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 a leasehold valuation tribunal, you will have to pay an application fee and, where the matter proceeds to a hearing, a hearing fee, unless you qualify for a waiver or reduction. The total fees payable will not exceed £500, but making an application may incur additional costs, such as professional fees, which you may also have to pay.
 6. A leasehold valuation tribunal has the power to award costs, not exceeding £500, against a party to any proceedings where-
 - it dismisses a matter because it is frivolous, vexatious or an abuse of process; or
 - it considers a party has acted frivolously, vexatiously, abusively, disruptively or unreasonably.

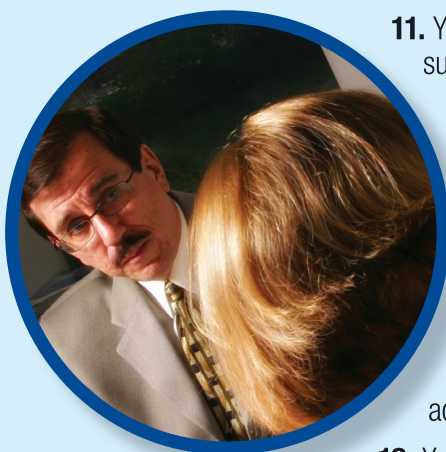
The Upper tribunal has similar powers when hearing an appeal against a decision of a leasehold valuation tribunal.

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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 a leasehold valuation tribunal has agreed that consultation is not required.
 8. You have the right to apply to a leasehold valuation 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 6 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.

SCHEDULE 11(4) TO COMMONHOLD AND LEASEHOLD REFORM ACT 2002

ADMINISTRATION CHARGES

SUMMARY OF TENANTS' RIGHTS AND OBLIGATIONS

1. This summary, which briefly sets out your rights and obligations in relation to administration charges, must by law accompany a demand for administration charges. Unless a summary is sent to you with a demand, you may withhold the administration 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. An administration charge is an amount which may be payable by you as part of, or in addition to, the rent directly or indirectly:
 - for, or in connection with, the grant of an approval under your lease, or an application for such approval;
 - for, or in connection with, the provision of information or documents;
 - in respect of your failure to make any payment due under your lease;or
 - in connection with a breach of a covenant or condition of your lease.

If you are liable to pay any administration charge, it is payable only to the extent that the amount is reasonable.

3. Any provision contained in a grant of a lease under the right to buy under the Housing Act 1985, which claims to allow the landlord to charge a sum for consent or approval, is void.
4. You have the right to ask a leasehold valuation tribunal whether an administration charge is payable. You may make a request before or after you have paid the administration charge. If the tribunal determines the charge is payable, the tribunal may also determine
 - who should pay the administration charge and to whom 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 this right where:

- a matter has been agreed to or admitted by you;
 - a matter has 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 administration charge arose; or
 - a matter has been decided by a court.
- 5.** You have the right to apply to a leasehold valuation tribunal for an order varying the lease on the grounds that any administration charge specified in the lease, or any formula specified in the lease for calculating an administration charge is unreasonable.
 - 6.** Where you seek a determination or order from a leasehold valuation tribunal, you will have to pay an application fee and, where the matter proceeds to a hearing, a hearing fee, unless you qualify for a waiver or reduction. The total fees payable to the tribunal will not exceed £500, but making an application may incur additional costs, such as professional fees, which you may have to pay.
 - 7.** A leasehold valuation tribunal has the power to award costs, not exceeding £500, against a party to any proceedings where:
 - it dismisses a matter because it is frivolous, vexatious or an abuse of process; or
 - it considers that a party has acted frivolously, vexatiously, abusively, disruptively or unreasonably.

The Upper Tribunal has similar powers when hearing an appeal against a decision of a leasehold valuation tribunal.

- 8.** Your lease may give your landlord a right to 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, a 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.





Useful Contacts

St Albans City & District Council Useful Contacts

Direct Debits

Tel: 01727 819230

Email: andrew.stovell@stalbans.gov.uk

Leasehold Management Officer

Tel: 01727 819578

Email: leasehold@stalbans.gov.uk

Major Works

Tel: 01727 819489

Repairs

Tel: 01727 819256

Email: h.repairs@stalbans.gov.uk

Useful Contacts Outside St Albans City & District Council

Citizens Advice Bureau (CAB)

Tel: 01727 811118

LEASE

Tel: 020 7374 5380

Email: info@lease-advice.org.uk

Website: www.lease-advice.org

Leasehold Valuation Tribunal

Address: Unit 4C Quern House, Mill Court, Great Shelford
Cambridge CB22 5LD

Tel: 0845 100 2616 or 01223 841 524

Email: eastern.rap@communities.gsi.gov.uk

St Albans Credit Union

Tel: 01727 859135

Complaints

If you are not happy with the service we provide, please let us know. There is a separate leaflet that tells you how to make a complaint.

If you require this information in another format, e.g., in large print, Braille, audio or in a language other than English, please contact **01727 819487**.



The District Council Offices' text phone number is **01727 819570**. This service is for people with a hearing impairment.

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www.stalbans.gov.uk