

# Freehold service charges 2023

## What are service charges?

Service charges are your share of the cost of work and services provided by Islington Council to your estate that you have to pay under the terms of your transfer document. You pay an annual service charge for services such as caretaking and day-to-day repairs. We send invoices for major works separately, after the work is completed. These are repairs, replacement and improvement works (such as works to continuous roofs) where the charge to any home owner is £250 or more. We will write to you separately about any proposed works.

## What period does the 2023 invoice cover?

The invoice covers the following:

1. **The estimated charges for the current financial year** (1 April 2023 to 31 March 2024). We invoice estimated charges because we don't know in advance the exact cost of providing works and services to your block/estate, especially as repairs can vary from year-to-year.

**And**

2. **An adjustment for the actual costs for the previous financial year** (1 April 2022 to 31 March 2023). We have now calculated the actual costs for 2022/2023. If we overestimated your charges, your adjustment will be a credit for the difference between the estimated and actual costs. If we underestimated your charges, your adjustment will reflect the additional amount due.

## How have the actual charges for 2022/23 been calculated?

The council uses a points system to divide the actual costs for communal works and services between properties. For example, grounds maintenance costs on an estate are divided amongst the properties on the estate, whereas communal heating costs are divided by the properties connected to the system. Each property is allocated four base points (notionally to represent a living room, kitchen, hallway and bathroom) and one extra point for each bedroom. So bedsits are allocated four points and a one-bedroomed flat would be allocated five points and so on. The amount charged to each property is the number of points as a proportion of the total points in the estate or communal system. This means that larger properties (based on the number of bedrooms) are charged more than smaller properties. You can find more information about the points system on our website at <https://www.islington.gov.uk/housing/council-homeowner-services/service-and-works-charges>

## How have the estimates for 2023/24 been calculated?

The costs are generally based on the 2022/23 actual charges, plus a percentage increase for inflation. For repairs estimates we use the average charge from the last five years, plus a percentage uplift to reflect inflation.

Gas and electricity estimates are based on the same energy consumption as 2022/23 plus a 4.3% increase for gas (as advised by our Energy Team) and a 3% increase for electricity (mainly due to non-commodity cost changes, particularly changes to how transmission costs are being recovered by National Grid).

## Why don't you provide more detailed information about my service charges with my invoice?

The majority of freeholders are happy with the level of detail we provide so to keep administration costs down we only provide more detailed information on request. We are also still working towards making more information available on our website and via online service charge accounts.

**Who should I contact if I have a query about my service charges?**

Please contact the officer named on the letter that was sent with your invoice or email us at [homeownership@islington.gov.uk](mailto:homeownership@islington.gov.uk). You can also find useful information at [www.islington.gov.uk/freeholders](http://www.islington.gov.uk/freeholders)

**Do I have to pay service charges if my property is unoccupied?**

Yes. Unlike Council Tax (which may allow payment breaks or reductions when your property is unoccupied or being refurbished) your service charges remain payable during this time.

**What happens if I don't pay my service charges?**

If you are struggling to pay your invoice, please get in touch so we can help. Otherwise we will send you reminder letters including a letter before legal action, and if you still don't pay or keep to an agreed payment arrangement we will seek a County Court Judgment against you. In addition to paying the service charges you owe you will have to pay legal costs and interest. Further legal action, interest and costs would follow if the debt remains unpaid.

**Are any costs for the upkeep of the estate paid for by council tax?**

No. By law, the council has to keep all of the income and expenditure associated with its housing stock separate from the income and expenditure relating to all other council services (education, social services, libraries etc). This means the council cannot recover the costs of maintaining and managing its housing estates from the council tax. Instead, council tenants contribute towards the costs through their rent and leaseholders and freeholders contribute through their service charge.

Do you need this information in another language or reading format such as Braille, large print, audio or Easy Read? Please contact 020 7527 7715.

# What your charges cover

<b>Service</b>	<b>What your charges cover</b>
<b>Caretaking</b>	The caretaking service for your estate. Duties can include cleaning, picking up litter and reporting damage to communal areas.
<b>Communal electricity</b>	Lighting to the communal areas of the estate, estate roadways and paths etc.
<b>Communal heating/gas</b>	Hot water and/or heating from a communal heating system to your property.
<b>Estate mechanised services</b>	Removing lumber and bulk rubbish; pressure washing to clean areas of your estate (e.g. bin chambers) and remove graffiti or spillages; using mechanical sweepers to clean and wash paths, roads and other communal areas.
<b>Estate repairs and maintenance</b>	Repairing and maintaining the communal areas of your estate, estate roads and paths etc.
<b>Grounds maintenance</b>	The upkeep of communal grassed and planted areas on the estate including grass cutting, maintaining/pruning shrub beds and trees, clearing leaves.
<b>Heating repairs and maintenance</b>	Repairing and maintaining the communal heating system.
<b>Management fee</b>	Islington Council's cost of managing freehold properties. It includes the costs of the home ownership teams (who manage service charges and deal with freeholders' queries); the housing service's costs for managing and supervising your estate (e.g. dealing with anti-social behaviour, arranging repairs and inspecting estates) and the central costs of housing management (e.g. senior managers, health and safety).
<b>TMO management and maintenance</b>	The cost of your local management organisation for managing your estate. This will apply if your estate is managed by a tenant management organisation (TMO), a co-operative or an estate management board. You have to pay their fee for the services they provide, as well as the council's management fee. Your TMO or cooperative work out their costs based on the services they provide.
<b>TV repairs and maintenance</b>	Repairing and maintaining the communal TV aerial system. This includes the costs of servicing the equipment on a yearly basis.