

Some residents pay a service charge on top of their rent. This leaflet explains what you are paying for and how it is calculated. All residents should receive a schedule giving details of the Service Charge that they are expected to pay, and how it has been calculated. The rules for tenants, leaseholders and shared owners are different in some respects, and these differences are explained here.

Who pays a Service Charge?

Service charges usually apply to flats with common areas, although some houses may also have a service charge if there are communal grounds.

Only those residents who benefit from a service, have to pay a service charge. Normally the cost of the service is divided equally between all of the residents who benefit from the service.

The service charge may include all or some of the following:-

- Gardening of communal grounds
- Cleaning of shared areas, such as hallways
- Lighting in communal areas
- Fire safety
- Door entry systems
- Lifts
- TV systems
- CCTV
- A management charge

Mixed Developments

Some newer schemes with a mixture of rented, Rentplus and owner occupiers, are managed by a management company. Where this is the case the service charge paid is based on the charges made by the management company.

How the Service Charge is calculated (former SWHS rented properties)

SWHS estimates how much the services will cost for the year and charges accordingly. At the end of the year we calculate how much has been collected and how much has been spent for the estate.

If we have collected too much or too little, the credit or deficit is added to the service charge for the following year.

How the Service Charge is calculated (former THS rented properties)

THS operates a fixed service charge for tenants. For most items, the service charge will be calculated by taking expenditure for the year from October to the following September, and adding the CPI inflation figure for September. This is then changed the following April.

The resulting figure is divided equally between all of the properties which receive each element of the service charge. In this way, residents only pay for services that they have actually received, and THS is able to manage the service charge calculation in a straightforward way.

How the Service Charge is calculated (Leaseholders and Shared Owners)

The way that leaseholders' and shared owners' service charges are calculated is set out in their lease.

Generally, Willow Tree Housing Partnership Limited (WTHP) estimates how much the services will cost for the year and charges accordingly. At the end of the year WTHP calculates how much has been collected and how much has been spent for the estate.

If WTHP has collected too much or too little, the credit or deficit is added to the service charge for the following year.

For some major works, costing over £250 per property, WTHP is legally obliged to carry out a consultation before the work can start.

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