

Your service charge – what you pay for

Working out your service charge

Service charges are worked out so that everyone pays a fair share of the cost of providing services to their property, block and estate.

Your lease tells you how your share of the cost is calculated. Service charges vary depending on the services we provide to your property, block and estate.

Services might include:

General services

This includes looking after the green and paved areas on your estate, providing any CCTV or concierge service, electricity used in communal areas, fuel used by a communal boiler that provides heating and hot water to your home.

Cleaning

This includes cleaning of the communal areas of your block and estate.

Repair and maintenance

This includes the repair and maintenance of the structure and communal areas of your block, and lift and door entry maintenance.

How we work out your share

To ensure leaseholders only pay a fair share of the actual cost, we work out your individual contribution for most services based on the gross rateable value (GRV) of your property. The GRV takes into account the size and value of your property.

For example, if there are 10 properties in your block with an identical GRV of £340 and the cost of providing cleaning to your block is £2,000 the calculation would be:

$$\begin{aligned} &10 \text{ properties} \times 340 \\ &= \text{£}3,400 \text{ (block GRV)} \end{aligned}$$

$$\begin{aligned} &\text{£}2,000 \text{ (cost of block cleaning)} \\ &\div \text{£}3,400 \text{ (block GRV)} \\ &\times 340 \text{ (property GRV)} \\ &= \text{£}200 \end{aligned}$$

Your share of cost will vary slightly depending on the GRV of your home and other properties in the block. If all properties in your block are leasehold properties we recover 100% of the cost of managing and maintaining the block from leaseholders.

(Please note that the cost is most often allocated to individual blocks of flats. However, sometimes the cost can be allocated to and spread across all blocks on an estate mapsite.)