

Making it easier to pay bills

Dear Leaseholder,

Enclosed is your bill for your estimated service charge, including building insurance and ground rent for April 2015 to March 2016.

As your lease sets out, you must pay the charges in advance. We will send you the final bill for the actual cost of providing services in September 2016.

This year we have focused on taking the effort out of paying your bill.



One bill not three

After consulting with leaseholders, we have sent you one invoice rather than three. The new single invoice means:

- your ground rent, building insurance and estimated service charges are now itemised in one convenient place;
- now you only need to quote one reference number when you pay your bill.



Being clearer about your service charge and what it covers

Enclosed is a new breakdown of the services for your block and estate so that you can see more clearly what you are paying for. We hope you find the format easier to read. We've included management salary costs in your service charges rather than showing them separately. And we now show how much you pay for anti-social behaviour, resident engagement, customer access (such as our call centre), and pest control services – we previously combined these four services under the heading 'Housing Management Charge'.



Self serve payments

It is easier to pay your estimated service charges by making your own arrangements without the need to contact us. Either pay in full the total amount on your invoice or divide the amount by 10 to get the monthly amount you should pay from April 2015 to January 2016. As long as you use your 11-digit invoice reference number for the payment (which starts with 551) you can:

- Make a payment 24 hours a day using our automated telephone payments line phone 020 7364 3800. Please choose option 6 to pay your invoice.
- Pay online with a debit or credit card – visit www.towerhamlets.gov.uk – and select 'Pay It'.
- Ask your bank to set up a Standing Order for you – this way you won't miss a payment. It is very safe and secure. See our step-by-step guide to setting up your own Standing Order on page 4.



We're offering you a call back service throughout April

Our phone lines can get very busy during April while we take payments and make repayment arrangements. To make sure we continue to offer high levels of customer service, we're offering to call you back at a time convenient to you – up to 7pm Monday to Thursday and Saturday mornings – so you don't need to keep waiting on hold.

To ask for a call back, simply email us at: contactus@thh.org.uk and tell us when you'd like us to call you back – we'll do the rest.

Your bill explained

Leasehold Services Tower Hamlets Homes, PO Box 66355, London, E14 1GU Tel: 020 7364 5015 Email: contactus@thh.org.uk VAT Reg. No. 232 4842 77																																						
Account No: 1234567 Mr. L. H. Leaseholder 1 Jack Dash House Lawn House Close London E14 9YQ																																						
Invoice Number: 55112345678 01 April 2015 55																																						
<table border="1"> <thead> <tr> <th></th> <th>COST</th> <th>VAT</th> <th>VAT AMOUNT</th> </tr> </thead> <tbody> <tr> <td>Re: 1 Jack Dash House, Lawn House Close, London E14 9YQ</td> <td>£1,138.00</td> <td></td> <td></td> </tr> <tr> <td>Estimated Service Charge for the financial year 2015/16</td> <td>£10.00</td> <td></td> <td></td> </tr> <tr> <td>Ground Rent for the financial year 2015/16</td> <td>£145.95</td> <td></td> <td></td> </tr> <tr> <td>Building Insurance for the financial year 2015/16</td> <td></td> <td></td> <td></td> </tr> <tr> <td>If you have any difficulty with paying this sum, please contact us on 020 7364 5015</td> <td></td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td>£1,293.95</td> <td></td> <td></td> </tr> <tr> <td>TOTAL VAT</td> <td>0.00</td> <td></td> <td></td> </tr> <tr> <td>AMOUNT PAYABLE</td> <td>£1,293.95</td> <td></td> <td></td> </tr> </tbody> </table>				COST	VAT	VAT AMOUNT	Re: 1 Jack Dash House, Lawn House Close, London E14 9YQ	£1,138.00			Estimated Service Charge for the financial year 2015/16	£10.00			Ground Rent for the financial year 2015/16	£145.95			Building Insurance for the financial year 2015/16				If you have any difficulty with paying this sum, please contact us on 020 7364 5015				TOTAL	£1,293.95			TOTAL VAT	0.00			AMOUNT PAYABLE	£1,293.95		
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Estimated Service Charge Payment Terms

This invoice is the estimated costs of providing services for April to March. Your lease requires you to pay your estimated service charges in advance, either quarterly (April, July, October, January) or in two six monthly payments (April and October). THH can offer you a 10 Monthly Instalment payment option and your payments will start from April up until January. To set up a Direct Debit to pay over 10 months, please contact us on 020 7364 5015.

- 1 Your invoice reference – please quote this number when making a payment
- 2 The total amount to be repaid in full or up to 10 monthly instalments
- 3 Your payment terms

Want to talk about your bill or make an appointment to see us?

If you have a query about your bill talk to us we can help.



Phone

020 7364 5015



Email

contactus@thh.org.uk

If you withhold payment or part payment of your service charge you must tell us. We can talk to you about the issues preventing you from making a payment and help you to resolve them. If we have not received payment or heard from you we will start legal action to recover what you owe.

For more details see 'What happens when you don't pay your charges?' on page 4.

LEASEHOLD FOCUS

Spring
2015

Inside this issue

- What your service charge covers
- Your frequently asked questions
- Ways to pay your service charge

We're no longer sending giro slips...

find out more on page 4.



What your service charge covers

Your estimated service charges may include some (or all) of these items, depending on which services you receive at your property. The cost of the services provided to your block is allocated to every property in your block (both tenanted and leasehold) based on the Gross Rateable Value (GRV) of each individual property so that you only pay your own share of the costs. The cost of services provided to your estate mapsite is allocated to every property on your mapsite based on the GRV of each individual property.

Service	What the service covers	How the charge is calculated
REPAIRS & MAINTENANCE	Block Repairs	We estimate your charge by taking the historic average spend on block repairs across the borough and dividing the cost between each property based on its GRV. The full cost is estimated as 83% Direct Costs, 8% Management Costs, 9% Overheads.
	Estate (Mapsite) Repairs	We estimate your charge by taking the historic average spend on estate repairs across the borough and dividing the cost between each property based on its GRV. The full cost is estimated as 83% Direct Costs, 8% Management Costs, 9% Overheads.
	Lift Repairs	We estimate your charge by taking the historic average spend on lift repairs in your block and dividing the cost between each property based on its GRV (regardless of which floor the property is located on).The full cost is estimated as 83% Direct Costs, 8% Management Costs, 9% Overheads.
	TV Aerial Repairs	We estimate your charge by taking the historic average spend on TV aerial repairs in your block and dividing the cost between each property based on its GRV. The full cost is estimated as 83% Direct Costs, 8% Management Costs, 9% Overheads.
	Door Entry Repairs	We estimate your charge by taking the historic average spend on door entry system repairs across the borough and dividing the cost between each property with a door entry system based on its GRV. The full cost is estimated as 83% Direct Costs, 8% Management Costs, 9% Overheads.
	Boiler Repairs	We estimate your charge by taking the historic average spend on boiler repairs and dividing the cost between each property that is connected to that boiler based on its GRV. The full cost is estimated as 83% Direct Costs, 8% Management Costs, 9% Overheads.
BLOCK & ESTATE SERVICES	Block Caretaking	The cost for caretaking in 2015-16 is estimated to be £6.5M, which leads to an estimated cost per hour of £24.95. This cost is multiplied by the planned hours for your block as supplied by the caretaking team. The block cost is divided between each property based on its GRV. The full cost is estimated as 79% Direct Costs, 12% Management Costs, 9% Overheads.
	Estate (mapsite) Caretaking	The cost for caretaking in 2015-16 is estimated to be £6.5M, which leads to an estimated cost per hour of £24.95. This cost is multiplied by the planned hours for your estate as supplied by the caretaking team. The estate cost is divided between each property based on its GRV. The full cost is estimated as 79% Direct Costs, 12% Management Costs, 9% Overheads.
	Grounds Maintenance (Horticulture & Trees)	The cost for grounds maintenance for 2015-16 is estimated to be £1.1M. This cost is apportioned to each mapsites based on time spent, as planned by the grounds maintenance team. This cost is then divided between each property based its GRV. The full cost is estimated as 76% Direct Costs, 15% Management Costs, 9% Overheads.
	Refuse Service (Bin Hire)	THH hires paladin bins from LBTH under a service agreement. The cost is estimated to be £0.4M. The cost is divided between each property cost based on its GRV. The full cost is estimated as 91% Direct Costs (Service Agreement), 0% Management Costs, 9% Overheads.
	Refuse Service (Bulk Waste Collections)	THH pays LBTH for bulk waste collections through two service agreements. The cost is estimated to be £0.6M. The cost is divided between each property cost based on its GRV. The final charge will be based on the actual number of collections. The full cost is estimated as 80% Direct Costs (Service Agreements), 11% Management Costs, 9% Overheads.
	Concierge	The contract cost of providing this service has been estimated at £0.47M. The block cost is determined by the level of service it receives and is apportioned to each property using its GRV. The full cost is estimated as 87% Direct Costs, 4% Management Costs, 9% Overheads.
CUSTOMER SERVICES	Anti-Social Behaviour	The total cost of the ASB service is estimated at £0.69M. The cost is divided between each property based on its GRV. The full cost is estimated as 73% Direct Costs, 18% Management Costs, 9% Overheads.
	Pest Control	THH pays LBTH for the Pest Control service through a service agreement. The cost is estimated to be £0.3M. The cost is divided between each property based on its GRV. The full cost is estimated as 78% Direct Costs, 13% Management Costs, 9% Overheads.
	Leaseholder Services	The total cost of leasehold management is estimated at £2.3M. Leasehold management costs are divided equally between all leasehold properties. The full cost is estimated as 72% Direct Costs, 14% Management Costs, 9% Overheads.
FUEL RECHARGES	Resident Engagement	Total cost of resident engagement is estimated at £0.63M. The cost is divided between each property based on its GRV. The full cost is estimated as 73% Direct Costs, 18% Management Costs, 9% Overheads.
	Customer Access	Total cost of customer access for leaseholders is estimated at £0.25M. The cost is divided between each property based on its GRV. The full cost is estimated as 74% Direct Costs, 17% Management Costs, 9% Overheads.
COMMUNAL SERVICES	Communal Boiler Fuel	The boiler fuel cost is estimated based on historic consumption in kWh for each heating system at 2015-16 forecast prices. Fuel prices nationally are expected to remain the same over the next year. We expect to pay an average price of £0.0238p per kWh. Boiler fuel cost is divided between each property based on boiler points, based on the service provided, and the number and size of rooms in the property. The full cost is estimated as 88% Direct Costs (Gas Bills), 3% Management Costs, 9% Overheads.
	Communal Electricity	Communal electricity cost is estimated based on historic consumption. The final charge will be based on the actual bills for the landlord supply to your block, divided between each property based on its GRV. The full cost is estimated as 88% Direct Costs (Electricity Bills), 3% Management Costs, 9% Overheads.



Your frequently asked questions



Q How do you calculate estimated charges?

A We base some estimated charges (e.g. repairs and communal energy) on a three-year average for your block or estate mapsite, whereas we base other charges (e.g. caretaking, bin hire and bulk waste) on the latest available information relating to service costs. We will send you the final bill (actual) in September 2016 for the services you receive in 2015/16.

Q Why are the charges only estimates?

A The charges are estimates because the actual costs have yet to be calculated. Your Estimated Service Charges bill covers 1 April 2015 to 31 March 2016. Your lease says you must pay your service charges in advance based upon estimated charges.

Q When do you calculate the actual charges?

A We calculate the actual cost of services at the end of each financial year (31 March). We will send you the Certificate of Actual Service Charges for 2015/16 in September 2016, which will show any adjustments to your charges for the year. If the actual cost is higher than the original estimate, we will send you an invoice to pay the difference. If it is lower, we will send you a credit notification and add the credit to your service charge account.

Q Why are there different charges for similar flats?

A One reason is that service or amenities (or both) vary from block to block. Another is how charges are calculated - it is common for Landlords to use the Gross Rateable Value (GRV) of the property to calculate charges (this is a type of property valuation based on your floor level and bedsize).

Q How do I find out which services you provide to my block and estate?

A You can find out which services we provide to your block and estate in your yearly Estimated Service Charges and Ground Rent 2015/16 enclosed with this newsletter.

Q What if I think I am being charged for a service I don't receive?

A If you think you are being charged for a service you don't receive, please tell us. If we agree, we will reduce your bill appropriately when we calculate the actual costs - at the same time we issue your annual certificate in September 2016.

Q Can I query my estimated charge?

A You can query the amount you have been charged when you receive your final (actual) service charge bill. You cannot challenge an estimated bill - nor will we issue revised estimated charges.

*Please note that if your property is on the ground floor, your lease still requires you to contribute toward the cost of the lift and door entry system.

Q I am a freeholder, why have you sent me a bill?

A You are required to pay service charges if you are a freeholder and receive services such as heating and hot water, or if your transfer documents contain a clause requiring you to contribute towards estate charges. Please check the transfer documents you received when you purchased your property. If you're still not satisfied, send us your enquiry and a copy of your transfer documents and we will respond as soon as possible.

Q How do I pay my estimated service charges?

A Your lease says you pay your estimated charges in advance either quarterly or half-yearly or you can pay in full straight away. If your account is up to date or you have an agreement with us to pay any arrears, you can pay in 10 monthly instalments by Standing Order or Direct Debit.

Q What help can I receive to pay my service charges?

A The Council and Tower Hamlets Homes are unable to provide financial help with service charge payments - but we can offer help and advice. Talk to our Money Advisor about how we can help you with income support eligibility and assistance: Telephone 020 7364 5015.

Lower annual premiums for building insurance

Building insurance covers the structure of your home - including fixtures and fittings - and the common parts of the building against fire, flood, theft and accidental damage (always check your policy for full details).

The Council has just tendered its insurance cover to get leaseholders the best value building insurance policy cover it can. You will notice your annual building insurance charge is estimated to be lower for 2015/16 than in the previous two years as we are anticipating savings.

Ask the Council's Insurance Section for a copy of your policy or go to the Tower Hamlets Homes website.

Building Insurance Claims

The excess (this is the part of the claim paid by you) is £50 for all claims - except subsidence, landslip or heave claims, which is £1,000. To make a claim for damage to your own property (for example for water damage to your ceiling or wall decorations) contact DMS - the insurer's appointed claims handlers - direct on 0844 856 2032. You must claim within 90 days. After this time, DMS will decline your claim.

If there is damage to a communal area affecting more than one leaseholder, for example by fire or vandalism, we can claim for your proportion of the repair costs on the building insurance policy. If the damage affects a number of leaseholders and the cost to repair the damage would be more than £50 per leaseholder excess payment, we will usually make a claim on your behalf - saving everyone the hassle of making an individual claim.

Home Contents Insurance

It makes sense to protect your home contents and personal possessions by taking out a contents insurance policy. Tower Hamlets Council and Tower Hamlets Homes have teamed up with Thistle Insurance Services to offer council tenants and leaseholders (owner occupiers only) the Crystal Home

Contents Insurance Scheme.

The pay-as-you-go scheme offers insurance cover, with no excess, at competitive premiums. Premiums currently start from as little as £1.56 per fortnight for those over 60 and £3.20 per fortnight for everyone else.

For an application form or more

information, please contact Thistle Insurance Services or the Council's Insurance Section.

Thistle Insurance Services
0845 601 7007

Council's Insurance Section
020 7364 0955.



What has happened to giro slips?

You may have noticed that we have stopped sending giro slips, bringing us in line with other services like Tower Hamlets Council Tax and tenant rent payments. Cash and cheque payments are double the cost to process, and there is more chance for payments to go missing because of administration errors or mistakes with banking machines that process giro slips.

Although you can no longer pay bills using a giro slip, you can still pay cash at the Post Office (see the back of your invoice for more details). We're also looking at new and more convenient ways to pay for customers who prefer cash payments, like the payment cards you use to pay your Council Tax and estate parking. Look out for the payment cards in the summer.

Pay in full



If you pay your invoice in full by 1 May 2015, we will give you a £25 credit on your service charge account when we prepare your end of year charges in September.

Paying in full means you won't have to remember to make regular payments and – if you have no other unpaid invoices – your account will be up to date until a new invoice is sent to you.

Call us during quieter times

If you prefer to call us, it's quicker to get in touch if you call before 12midday or after 2pm, when lines are quieter.



Trouble paying?

If you are finding it difficult to pay your service charges, or if benefit changes have affected you, please tell us so that we can help. We can let you know about any financial help you may be entitled to, including help from the government.

 **Phone**
020 7364 5015

 **Email**
contactus@thh.org.uk

You can also get free debt advice from the National Debt Line as well as benefit advice from the government's website:

 **Government's website**
gov.uk/benefits-adviser

National debt line:

 **Phone**
0808 808 4000

 **Website**
www.nationaldebtline.co.uk

Paying by Standing Order

Like Direct Debit, a Standing Order is a safe way to pay bills and because they're paid automatically you won't miss a payment.

A Standing Order is easier for us too, so it helps to keep costs down – including the leasehold management charges you pay. Unlike Direct Debit, a Standing Order is not backed by a guarantee.

You can choose to make a regular payment from your bank. Simply divide the total on your invoice by the number of payments you will make:

- Ten monthly payments (April – January); or
- Four quarterly payments (April, July, October and January); or
- Two six-monthly payments (April and October).

You can make payments on any day, although most people like to pay their bills around the 1st of the month.

A Standing Order will normally be set up by you completing a Standing Order form and giving it

to your bank or building society; or by you completing a Standing Order in branch, over the phone or using online banking.

Please quote the following Tower Hamlets details to your bank for making payments:

Sort Code: 08-90-76
Account Number: 61012914

Don't forget to quote your 11-digit invoice number as your reference (printed in the top left-hand box of your invoice – it starts with 551).



What happens if you don't pay your charges?

1 We'll phone or write to you if your account falls into arrears. We'll tell you how much you owe and explain how you should pay (in full or instalments), and when you need to pay.

2 If you're finding it difficult to keep up with your payments, let us know. We can help you:

- Look at the money you have coming in and the money going out;
- Get all the welfare benefits you are entitled to;
- List your most important debts and tackle the ones at the top – to do this we'll need permission to negotiate with your creditors.

3 We'll start legal action if:

- You don't seek any help or assistance with your debt (for example speaking to your mortgage lender or bank);
- You don't agree to a repayment arrangement to clear your arrears;
- You don't keep to an agreement you made with us to pay by instalments.

4 Legal action may lead to a court order against you to pay the debt. A record of the court order will normally be kept for six years unless you pay the debt within one month. This may affect your ability to obtain credit.

If you do not comply with the court order, we will ask the court for permission to enforce the order. This might include:

- Deducting debt from your salary;
- Securing a charge for the debt against your property;
- Removing your possessions from your property and selling them to repay the debt;
- Selling your property to repay the debt or ending your lease and repossessing the property.

If you're having trouble paying your bill, talk to us. Don't ignore the situation. We can help sort things out.

 **Phone**
020 7364 5015

 **Email**
contactus@thh.org.uk