

# Your bill explained

You can see specific elements of your bill in detail below:

Invoice details from Tower Hamlets Homes:

- 1**: Invoice number (8275982)
- 2**: Description of service charge (Estimated Service Charge for the financial year 2014/2015)
- 3**: Amount payable (£990.85)
- 4**: Payment information (DATE, FUND, TAX FUND)
- 5**: Total amount payable (£990.85)

- 1** This is your invoice number. You should quote your 11-digit number when you pay your bill.
- 2** The type of service charge for the current billing period.
- 3** The amount you owe.
- 4** Ways to pay your bill are listed on the back of your invoice.
- 5** Find out what's happened to giro slips - see page 4.

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

**Phone**  
020 7364 5015

**Email**  
contactus@towerhamletshomes.org.uk

If you withhold payment, or part payment of your service charge, you must tell us. We can discuss the matter with you and look into any issues to help resolve the outstanding payment. Remember, this is the only way to prevent escalation of arrears on your account.

# Estimates down 5% on average

Dear Leaseholder,

Enclosed is your estimated service charges bill for 2014-15. As your lease sets out, you must pay the charges in advance.

Tower Hamlets Homes will send you a bill for your actual service charge in September 2015.



Last year, I asked Tower Hamlets Homes to reduce their costs. They have done so, so every leaseholder pays **less** for the cost of running THH. Therefore, the **average** bills for the coming year are **lower** than they were in 2012/13.

However, service charges vary because the services to blocks and mapsites vary. For example, not all blocks and mapsites need the same level of repairs each year.

Some charges are outside our control. For example, the utility companies have increased fuel costs. This affects leaseholders and freeholders whose homes connect to a communal boiler. I have ensured that THH offsets this by reducing its costs.

This means that whilst most bills have gone down, some **overall** bills have gone up. But every leaseholder is paying less for the cost of THH, which is reflected in this year's estimates, and every future bill.

I know there is more to do, and I will continue to ensure that THH reduces its costs, and make sure it provides the best possible value for leaseholders.

**Lutfur Rahman**  
Mayor of Tower Hamlets

### Leaseholder service charges

The average increase in service charge since 2010 is 2.4% per year. This is **lower** than the average level of inflation of this period of 3.2% per year.

2010/11  
**£85.66** per month

2014/15  
**£94.00** per month

### Need to claim on your building insurance?

Contact Ocaso (building insurers): Tel 0844 856 2032  
All claims must be made within 90 days.

For more details on building insurance, see our website at [www.towerhamletshomes.org.uk](http://www.towerhamletshomes.org.uk).

Got a question about your bill or estimated charges?  
See Your Frequently Asked Questions on page 3.



# What your service charge covers

Your estimated service charges may include some or all of these items on your bill, depending on the services you receive.

The cost for each service consists of the direct costs of delivering the service, the management costs of managing the service and overheads, which includes the cost of running THH e.g. salaries, telephones, office building/premises and electricity costs. We have reduced these costs so every leaseholder pays less for the running of THH.

Your bill shows the management cost separately. For more detailed information, please request a service charge breakdown from us.

GRV (Gross Rateable Value) is a measure of your property's size and value compared with the size and value of other properties in your block. (This is a simplified definition only).

Service	What the Service Covers	How your block or mapsite cost is estimated	How your individual charge is calculated
<b>Block Repairs</b>	Communal repairs to the structure, communal areas and services in your building. Examples include repairs to the roof, windows, communal water supply, waste pipes, and minor redecorations.	We use two years' historic average spend on block repairs across the borough to give us an estimate of £2.8M for 2014/15 spend. This cost is divided between each block based on the block's GRV.	The block cost is divided between each property based on each property's GRV (gross rateable value).
<b>Estate (mapsite) Repairs</b>	Communal repairs to the external areas of your mapsite. Examples include repairs to paths, railings, fences, bollards, clearing and unblocking drains, repairs to playground equipment and other facilities.	We use two years' historic average spend on estate repairs across the borough (£0.7M per year). This cost is divided between each mapsite based on the mapsite's GRV.	The mapsite cost is divided between each property based on each property's GRV.
<b>Lift Repairs</b>	Repair and maintenance of lifts.	We use historic annual average spend on lift repairs in your block.	The block cost is divided between each property based on each property's GRV (regardless of which floor your property is located on).
<b>TV Aerial Repairs</b>	Repair and maintenance of communal TV aerials.	We use historic annual average spend on TV aerial repairs to your block (or blocks where a communal aerial system supplies more than one block).	The block cost is divided between each property based on each property's GRV.
<b>Door Entry Repairs</b>	Repair and maintenance costs of communal door entry systems.	We use historic annual average spend on door entry system repairs across the borough. This cost is divided between each block with a door entry system based on the block's GRV.	The block cost is divided between each property based on each property's GRV.
<b>Boiler Repairs</b>	Repair and maintenance of communal heating systems.	We use historic annual average spend on each communal boiler system.	The boiler house cost is divided between each property it supplies based on each property's GRV.
<b>Block Caretaking Service</b>	Caretaking of the internal communal areas. Examples include cleaning communal areas, stairs and corridors, bin chambers, rubbish chutes and lifts; graffiti removal; changing light bulbs; minor repairs and general management of the block.	The total cost of our caretaking service is estimated to be 6.4M, which works out at £23.16 per hour (including management costs and overheads). We then multiply this by the planned caretaking hours for your block to arrive at the block cost.	The block cost is divided between each property based on each property's GRV.
<b>Estate (mapsite) Caretaking Service</b>	Caretaking of the external areas. Examples include cleaning, sweeping and litter picking, removing graffiti, minor repairs and safety checks.	The total cost of our caretaking service is estimated to be 6.4M, which works out at £23.16 per hour (including management costs and overheads). We then multiply this by the planned caretaking hours for your mapsite to arrive at a mapsite cost.	The estate (mapsite) cost is divided between each property based on each property's GRV.
<b>Grounds Maintenance Service (horticulture &amp; Trees)</b>	Grounds maintenance. Examples include cutting grass, planting and weeding flower beds, tree pruning, emptying dog bins.	The cost for Grounds Maintenance for 2014-15 is estimated to be £0.9M based on the services provided to each mapsite. Since October 2013, the service has been provided in-house.	The estate (mapsite) cost is divided between each property based on each property's GRV.
<b>Refuse Service (Bin Hire)</b>	This charge is for the hire of paladin bins from LBTH.	THH hires paladin bins from LBTH under a service agreement. The cost is estimated to be £0.4M (no change from 2012-13 and 2013-14 estimates). The cost is divided between blocks based on GRV.	The block cost is divided between each property based on each property's GRV.
<b>Refuse Service (Bulk Waste Collections)</b>	This charge is for bulk waste and fly-tipping collections from your estate (mapsite). Normal domestic waste, placed in the paladin bins provided is not charged for by THH in the service charge, as it is a service provided by LBTH and paid for through your Council Tax.	THH pays LBTH for bulk waste collections through two service agreements. The cost is estimated to be £0.6M (no change from 2011-12 and 2013-14 estimates). The total service cost is apportioned to mapsites based on their GRV. The actual charge will be based on the number of collections from your estate (mapsite). The fewer the collections, the lower your charge.	The estate (mapsite) cost is divided between each property based on each property's GRV.
<b>Concierge Service</b>	Block and estate security, including on-site concierges, mobile patrols and CCTV.	The full year cost of concierge has been estimated at 0.4M.	The block cost is divided between each property based on each property's GRV.
<b>Communal Boiler Fuel</b>	Providing and managing the fuel supply for communal heating and/or hot water systems.	The boiler fuel cost is based on historic average fuel usage in kWh for each heating system at 2014-15 forecast prices. 55% of the gas usage for 2014-15 has been purchased already; therefore, the estimates remain similar to 2012-13 (2.1M). In 2014-15, we expect to pay an average of 2.45801p per kWh.	Boiler fuel cost is divided between each property based on boiler points. Boiler points are based on the service provided, and the number and size of rooms in your property.
<b>Communal Electricity</b>	Providing and managing the communal electricity supply to communal lighting, lifts, door entry systems, heating systems and water pumps.	Communal electricity cost is based on the last 12 months' bills; the full year has been estimated at £1.6M, £0.2M down from 2012-13. The actual charge will be based on the actual bills for the landlord supply to your block.	Electricity block costs are divided between each property based on each property's GRV.
<b>Leasehold Management</b>	Leaseholders management. Examples include service charge accounting and audit, calculating and billing service charges, arrears collection, dealing with payments and enquiries and service charge disputes.	The total cost of leasehold management is estimated at £2.0M.	Leasehold Management costs are divided equally between all leasehold properties.
<b>Housing Services</b>	General housing services. Examples include managing your neighbourhood, dealing with anti-social behaviour (ASB), pest control, resident engagement and general THH customer service.	The total cost of central Housing Services is estimated at £1.9M, slightly less than in 2012-13.	Housing Management costs are divided between all properties based on each property's GRV.

# Your frequently asked questions



**Q How do you calculate estimated charges?**

**A** We base some estimated charges such as repairs and communal energy on the average cost - normally over 3 years - for your block or estate mapsite. We base other charges such as caretaking, bin hire and bulk waste on the latest information we have about the costs of these services.

**Q Why are the charges only estimates?**

**A** We'll only know the actual costs at the end of the year. Your estimated service charge bill covers 1 April 2014 to 31 March 2015. Your lease says you must pay your service charges in advance based on your estimated service charges.

**Q When do you calculate the actual charges?**

**A** We calculate the actual cost of the services you received at the end of each financial year (31 March). We will send you the Certificate of Actual Service Charges for 2014/15 in September 2015.

If the actual cost of a service is higher or lower than we originally estimated, we will adjust your charges for the year.

If the actual cost is higher, we will send you an invoice for the additional amount you owe. If the cost is lower, we will credit your service charge account with the difference. Your Certificate will show any adjustment we make.

**Q Why are there different charges for similar flats?**

**A** One reason is that the service and amenities (or both) vary from block to block. Some blocks, for example, may have an entry phone system, while others may have a lift. Another reason is how the charges are calculated. We use the Gross Rateable Value (GRV) of the property to calculate charges. GRV is a type of property valuation based on floor and bed size.

**Q How can 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 2014/2015 enclosed with this newsletter.

**Q Why am I being charged for a service I don't receive?**

**A** Tell us if you think you are being charged for a service you do not receive. If we find that you do not receive the service, we will reduce your service charge bill.

You can dispute your service charges when you receive your actual service charge bill. You cannot dispute an estimated bill - nor will we issue revised estimated charges.

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

**A** If you are a freeholder and receive services such as heating and hot water or your transfer documents contain a clause allowing estate charges, you are required to pay service charges. Please check the transfer documents you received when you purchased your property.

If you still have a query, please let us know and send us a copy of your transfer documents.

**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.

You can also pay your service charge in full straight away or in 10 monthly instalments by Standing Order or Direct Debit, if your account is up to date or if you have come to an agreement with us to pay your arrears.

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

**A** The Council and THH are unable to provide financial help with service charge payments - but we can provide advice. Talk to our Money Advisor for advice about income support eligibility by calling 020 7364 5015.

**Join our Key Leaseholder scheme and win £100 worth of Love2shop vouchers**



We are offering Key Leaseholders the chance to win one of three £100 Love2shop vouchers in our prize draw. To be in with a chance to win you must register with the scheme before 1 May 2014.

We have around 150 registered Key Leaseholders and we are keen to get more - particularly from mapsite areas without Key Leaseholders. (A full list of mapsites and Key Leaseholders is available on our website at [www.towerhamletshomes.org.uk](http://www.towerhamletshomes.org.uk).)

Key Leaseholders help us to check communal repairs details for their block and estate up to four times a year - and alert us to any issues. This means we are able to sort out any problems before we recharge the works to you improving your repairs billing.

For more information about the Key Leaseholder scheme, contact us on

 **Phone**  
020 7364 5015

 **Email**  
[contactus@towerhamletshomes.org.uk](mailto:contactus@towerhamletshomes.org.uk)

 **If you receive Key Leaseholder information by email, please make sure you add emails from THH addresses as a trusted sender. If you have a Hotmail or Yahoo account this is particularly important - otherwise our messages won't be safely delivered to your inbox.**

## Did you know?



We give appointments for communal repairs. Mears, our repair contractor will give you a courtesy call when they arrive at the job, and - as long as they can complete the work the same day - a courtesy call before they leave.

Call **0800 376 1637** to report a communal repair.

# Ways to pay your service charges

 **Direct Debit**  
Is a convenient and simple way to pay bills. Paying by Direct Debit helps keep costs down. To set up a direct debit, call us on 020 7364 5015.

 **Debit or Credit Card**  
To pay by debit or credit card call us on 020 7364 5015. A charge is made for credit card payments.

 **Internet & Telephone Banking**  
For internet and telephone banking quote: Sort Code: 08-90-76 Account Number: 61012927 Reference: This is your **11-digit** invoice number.

 **Standing Order**  
To set up a standing order call us on 020 7364 5015.

 **Cheque or Postal Order**  
If you're paying by cheque or postal order please make it payable to 'London Borough of Tower Hamlets'. Send it to:  
Cashiers' Payments,  
Albert Jacob House,  
62 Roman Road,  
London E2 0PG

Write your name, address and your 11-digit invoice number on the back of your cheque or postal order.  
(For postal payment receipts please provide a stamped, self-addressed envelope.)

 **Post Office (Transcash)**  
By cash or cheque at any Post Office using a Transcash voucher. (Post Offices may charge for this service.) Quote Account Number: 508/5217 and your **11-digit** invoice number.



We are offering you the chance to win one of three prizes worth £100 in our monthly prize draw\*, when you choose to pay your service charges and major works bills by Standing Order or Direct Debit. (For details of our prize draw, see our website at [www.towerhamletshomes.org.uk](http://www.towerhamletshomes.org.uk))

Paying your service charges by Standing Order or Direct Debit helps us to reduce our costs - including the leasehold management charges you pay. And that means **lower** bills for leaseholders.

For more information about Standing Orders or Direct Debits, contact us on **Tel: 020 7364 5015**.

\*Prize draw ends 30 June 2014.

**Having difficulty paying?**  
Tell us if you are having difficulty paying your service charges or you have been affected by benefit changes. We can put you in touch with our Money Advice Officer. We can tell you about any financial help you could be entitled to including help from the Department of Work and Pensions.

 **Phone**  
020 7364 5015

 **Email**  
[contactus@towerhamletshomes.org.uk](mailto:contactus@towerhamletshomes.org.uk)

Free debt advice is also available from the National Debt Line and benefit advice is available from the Government's website:

 **Government's website**  
[gov.uk/benefits-adviser](http://gov.uk/benefits-adviser)

**National Debt Line**

 **Phone**  
0808 808 4000

 **Website**  
[www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

# What's happened to giro slips?

You may have noticed that we have stopped sending giro slips with your service charge invoice.

This brings us into 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 your payments to go missing due to administrative errors. You can still request a giro slip by calling **020 7364 5015**.

We are happy to talk to you about alternative ways you can pay your charges. We are also looking at new more convenient ways



for customers who prefer cash payments which mean we can phase out giro payment slips altogether.

 **Phone**  
020 7364 5015

 **Email**  
[contactus@towerhamletshomes.org.uk](mailto:contactus@towerhamletshomes.org.uk)

# What happens if you owe us charges?

**1** We'll contact you if your account falls into arrears.

**2** We'll tell you how much you owe and explain how you should pay (in full or in instalments), and the deadline for paying.

If you need help managing your money ask to speak to our in-house debt advice team, we will be able to 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 which debts are most important and tackle the ones at the top - to do this we'll need permission to negotiate with your creditors.

**3** We'll ask your mortgage lender to pay what you owe if you don't:

- pay in full;
- pay in instalments on time;
- make an agreement with us to pay.

**4** We'll take legal action against you if:

- your mortgage lender declines to pay what you owe;
- you do not have a mortgage lender.

Legal action may lead to a court order against you to pay the debt. A record of that court order will normally be kept for 6 years unless you pay the debt within one month. This may affect your ability to obtain credit.

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

- securing a charge for the debt against your property;
- removing your possessions from your property and selling them to repay the debt;
- deducting the debt from your salary;
- selling your property to repay the debt or ending your lease and repossessing the property.

If you've got money problems talk to us straight away. Don't ignore the situation. We can help you sort things out.

 **Phone**  
020 7364 5015

 **Email**  
[contactus@towerhamletshomes.org.uk](mailto:contactus@towerhamletshomes.org.uk)