

LEATHERMARKET
JMB

Leathermarket JMB

**Annual service charge
actual explained leaflet
2017-18**

For April 2017 to March 2018

in partnership with

Southwark
Council
southwark.gov.uk

Introduction

Leathermarket Joint Management Board (the JMB) is the resident managed organisation that manages the street properties, blocks and estates in which you are a home owner. Southwark Council is the organisation that you have a leasehold or freehold agreement with.

In summer 2017 Leathermarket JMB took over responsibility for the construction of homeowner service charge bills. The JMB now calculates both the actual annual service charges for all homeowners and the estimated annual service charges for leaseholders only.

The JMB has purchased a new IT system to enable us to bill and collect the service charges directly. We are currently uploading data including homeowner names and contact details. If the name and address that this service charge was sent to contain any errors, please email the JMB at homeowner@leathermarketjmb.org.uk so we can upload your correct details into the new system.

Once we are happy the new IT system is loaded up and has been tested to ensure it is working properly, the JMB will take on the responsibility for billing homeowners and collecting payment directly. We will contact you separately about this and an update will be included in future versions of this booklet.

The capital cost of the new IT system is being spread over five years to smooth the impact on homeowners. The JMB has incurred additional cost in setting up the new IT system and training staff to take on homeownership service responsibilities. These are not being charged to homeowners to avoid duplicating costs whilst Southwark Council are still delivering the service.

Overall Leathermarket JMB management costs have gone up to reflect the time taken by the finance team to calculate the annual service charges. In addition the relevant proportion of the business rates the JMB pays for its office were not charged last year, but have been correctly included this year. However as the JMB takes on more responsibilities, homeowner contributions to the Southwark Council management fee are coming down.

Estimated and actual service charges

Service charges represent a share of the JMB's costs of providing and maintaining services to your block and estate. You are required to contribute towards these costs under the terms of your lease or, if you are a freeholder, your transfer.

Before the start of the financial year leaseholders must be sent a reasonable estimate of the amount the JMB expects the service charges to be. You should pay these estimated charges in advance on 1 April, 1 July, 1 October and 1 January. Alternatively, Southwark Council accept 12 monthly payments from April to March.

After the end of the financial year, the JMB prepares our final accounts with details of what was actually spent on providing the services to you. If we have overestimated the charges, you will receive a credit on your account, but if we have underestimated the charges, you will receive an invoice for the additional costs. The next billing run will take place in January 2019 for the estimates for the 2019/20 financial year.

Freeholders are not sent estimated charges and are only invoiced after the end of our financial year once we have finalised the charges.

What do my service charges cover?

The communal services you receive vary according to where you live and the type of property you own. For example, if you live in a flat on an estate, you will receive more services than if you live in a flat within a street property. The services that apply to your home are shown on the breakdown sent with this leaflet. Where a service is provided to both your block and estate, we have shown a separate breakdown of the charges for each.

A list of the services that can be provided by the JMB is detailed on the following pages, together with an explanation of how we calculate the costs.

You may also be charged for major works to your block or estate, or your building if you own a converted flat in a house. If so you will be consulted about the works before they start. You will be invoiced separately for these works.

How we make our calculation

The charge to you is based on the direct and indirect relevant costs to Leathermarket JMB of providing each individual service.

All calculations have been based on the cost of providing the service to your block and estate except where stated in the following sections.

If you bought your home from the council between April 2017 and March 2018, we have worked out the charges from the date of your purchase to 31 March 2018. If you bought your home from another leaseholder, it is your responsibility to liaise with the previous owner regarding the excess charge or credit.

For all services, except building insurance, we calculate the charges based on the size of your property. This assumes that each property has four basic rooms, which we call units – bathroom, kitchen, living room and hallway. We then add the number of bedrooms to come to the total number of units for each property. For example, a one bedroom property has five units, while a three bedroom property has seven units.

We apportion the cost of providing services to a block or estate by the total number of units to give a cost per unit. This is multiplied by the number of units in your property to come to your charge. This means that the owner of a three bedroom flat will pay more than the owner of a one bedroom flat in the same block.

Services provided

Care and upkeep

This charge is for the cleaning and upkeep of external and internal communal areas such as balconies, corridors and lifts as well as walkways on the estate. It is based on the hours the JMB's cleaners have spent cleaning your block and estate. It may include the provision of refuse containers and delivery of refuse sacks for some blocks, which is separate from the refuse collection service paid through your council tax.

We have shown separate charges for your block and estate in the breakdown enclosed with this leaflet.

Leathermarket JMB's estate services manager monitors the standard of cleaning and manages the cleaners. They have regular meetings with cleaners to resolve any issues raised by residents. They also undertake estate inspections against the service standards, which are posted on block notice board or are available upon request.

Estate grounds maintenance

This charge is for maintaining green areas on estates including flowerbeds and grassed areas. It may include a charge for the maintenance of trees on your estate. The charge is based on the hours Leathermarket JMB gardeners spend on your estate and the costs incurred, for example in purchasing tools, equipment, plants and topsoil.

Leathermarket JMB's estate services manager also monitors and manages the gardeners, with the results of their estate inspections also covering the grounds.

Lighting and electricity

This charge covers the maintenance of lamp columns and replacement of light bulbs on your block and estate. It also includes the cost of electricity supplied to all the lighting, including entrance halls, balconies, stairwells and on the estate grounds.

Heating

We provide heating and hot water to Kipling Estate low rise blocks, Meakin Estate and the Great Dover Street, Cardinal Bourne and Bartholomew Street complex. The JMB employs a specialist heating consultant, David Miles Partnership, to ensure we get good value for money from our heating contractor OCO Ltd.

The heating charge is based on the cost of running the boiler house and plant rooms serving your property and is made up of a number of different elements:

- The amount of fuel used
- An annual contract sum for planned and preventative maintenance – making sure that all equipment is regularly serviced and in good condition
- Electricity to power the boiler and plant rooms
- Reactive repairs – repairs which fall outside the main contract. These will consist of repairs in the boiler house as well as repairs to the heating and hot water systems in individual properties (non boiler repairs)
- Direct and indirect management costs – heating consultants and repairs management time for managing the district heating contract, ordering repairs, progress chasing and keeping residents informed if there is a breakdown.

The costs of running the boiler and the plant linked to the boiler house are added to give a heating estate cost. This total amount is apportioned between each property receiving heating and hot water from that boiler house based on the calculation explained above.

TV aerials

Leathermarket JMB does not separately identified costs for communal TV aerials as these affect very few of the blocks managed by the JMB. Any costs incurred have instead been included in responsive repairs.

Entryphone

Where provided, the door entryphone charge covers the cost of its repair and maintenance.

Lifts

We look after your lifts, making sure they are in good repair. We use a contracted company, Liftec to maintain the lifts. The current contract includes a monthly maintenance check and allows for the contractor to be paid for each call out. Additionally the JMB employs an expert lift consultant, De Graaff and Partners, to ensure we get value for money. Lift costs are made up of:

- Annual planned and preventative maintenance (PPM), to ensure all equipment is regularly serviced and is in good condition
- Reactive repairs, relating to work that falls outside of the PPM contract
- Electricity
- Lift monitoring (phones/alarms) and lift inspection costs, which are a requirement of our lift insurance policy.
- Management costs to manage the lift contract, order repairs, progress chase and keep residents informed if there is a breakdown

The first four costs are based on the lift(s) in your block, but the last cost is divided across all lifts in the JMB area using the bed weighting method explained above.

Security services

A few blocks managed by Leathermarket JMB have CCTV systems: Burwash House, Nashe House, Simla House and Symington House. The costs of maintaining and repairing these systems have been included in responsive repairs costs.

Responsive repairs

We may have to make repairs to the structure and communal parts of a building or repairs to communal parts of an estate. If these repairs are carried out by a contractor, the charge is based on the payment made to the contractor for this work. This is based on an agreed schedule of rates for the jobs.

If the repairs are carried out by the Leathermarket JMB in-house team, the job charge is calculated based on the contractor rate, adjusted to reflect the overall difference in the cost to employ, equip, manage and provide materials to the in-house team for all jobs they undertook. In 2017/18 this means that in-house works were charged at a 1.7% discount from the rates of our contractor.

This charge will also include maintenance to any communal water tanks or pumps provided in the block and may include any pest control measures taken in the block.

You have only been charged for repairs carried out on your block or estate, based on the number of bedrooms in your property. You have not been charged for repairs to the internal parts of tenanted properties. As the costs have now been finalised, you can request a report of the individual jobs you have been charged for. We have only charged freeholders for any repairs on the estate and not for any block repairs.

You can request a repair to the external part of your block or to a communal area by emailing repairs@leathermarketjmb.org.uk or telephoning us on **020 7450 8000** and asking for repairs. This telephone number comes through to the office during office hours 9am-5pm Monday to Friday (except bank holidays). Outside of these hours this number is transferred to a call centre to take emergency repairs only. The person taking the out of hours call will not be able to deal with other home owner queries.

Any non-structural repairs to the internal parts of your home are your responsibility.

Building insurance

Under the terms of your lease, we have to insure your flat and the building against a range of risks. Southwark council currently manage this on behalf of Leathermarket JMB. The most cost effective way for this to be done is to arrange cover for all leasehold properties across the borough with a single insurer, which from 1 April 2013 was Zurich. However if you own a freehold, underlease house or shared equity house, you must arrange your own buildings insurance.

In 2017/18 the charge was based on the number of bedrooms, the type of property and the height of the building. It includes insurance premium tax payable to the government and an index linked uplift of 5 per cent.

The insurance covers all insurable risks and you can request a key facts policy summary and booklet giving more details. For further details of the current building insurance policy for homeowners, including a summary of cover and how to request a claim form, please go to www.southwark.gov.uk/homeowners.

Overheads

Overheads for home owners are made up of two different costs:

Leathermarket JMB management fee This represents homeowners' contribution to the costs of managing the day to day services they receive from Leathermarket JMB. They include a contribution for staff salary costs for Leathermarket JMB staff involved in activities relevant to home owners. They also include office and IT costs, communications, enquiries and complaints.

The amount of this charge has been calculated and apportioned to home owners in the same way as in previous years. However following consultation in 2013, JMB home owners told us they would like to see this management charge explicitly, rather than it being split and included within the individual service charges listed above. This approach was agreed as reasonable at a First Tier (leaseholder) Tribunal.

Southwark Council administration charge Southwark Council provides services to homeowners on behalf of the JMB such as, sending out bills, agreeing payment terms, collecting variable service charges and organising building insurance.

For future years the JMB and Southwark Council are discussing which services Southwark Council will continue to provide for JMB leaseholders and what the cost will be. As the JMB continues to take on the delivery of more services to homeowners, this cost will reduce.

This approach differs to the arrangement across the rest of Southwark where leaseholders pay a 10% administration charge to Southwark Council for this service.

Ground rent

If you own a flat or maisonette, you are required to pay a set annual fee of £10 for renting the ground from Southwark Council. This is set out in your lease.

Other information

Queries regarding your service charges

The service charges for 2017/18 have now been actualised (finalised based on actual costs incurred). If you have any queries about your service charge account, please contact the collection officer stated on the credit note/invoice so Southwark Council can investigate your concerns. All queries about your account balance or repayment terms must go to your collections officer at Southwark Council.

As Leathermarket JMB has actualised your bills, if your query is about how this has been done or about the standard of service you have received, you can choose to contact us directly by emailing homeowner@leathermarketjmb.org.uk or telephoning **020 7450 8000** and asking for **Tunde Adekoya**. We will look into your query and get back to you when we have found the necessary information. You can still make these queries to your collection officer at Southwark Council, but they will pass the query on to us.

MySouthwark self serve

The MySouthwark self serve is an on-line Southwark Council facility that will enable you to:

- View the total balance outstanding on your service charge account
- View the original amount and current balance of individual invoices
- View subsequent transactions against individual invoices
- View the individual services making up each invoice

However as services are managed by Leathermarket JMB you will not be able to report repairs issues on the Southwark Council system. To do this you should email repairs@leathermarketjmb.org.uk or call the JMB office on **020 7450 8000** and ask for repairs.

For a step by step guide to use your Southwark Council self serve account please visit www.southwark.gov.uk/homeowners

Text messaging

Alongside the housing self portal via MySouthwark, Southwark Council offer a text messaging facility to text homeowners with your service charge account updates. Within the text message there are details of using the online payment option and the benefits of managing your service charge account(s) online.

Southwark Council want to ensure they are being proactive in assisting homeowners by re-directing you to their many other payment options.

An example of the wording of the text message that you may receive from Southwark Council is as follows:

This is Southward Council, Home Ownership Services. Please contact (**name of collections officer**) on (**telephone number**) regarding invoice (**number**). You may review our ways to pay by visiting southwark.gov.uk/payforit and you can also now view your service charge account on-line at www.southwark.gov.uk/homeowner_selfserve

Contact Southwark Home Ownership Services

Home Ownership Services

Exchequer

Finance and Governance

PO Box 71994

London

SE1P 5FW

 www.southwark.gov.uk/housing/home-owners-services

If you wish to meet your Service Charge Collections Officer, please make an appointment. Meetings normally take place at Blue Anchor Library, Market Place, Southwark Park Road, Bermondsey, SE16 3UQ between 9am and 4pm.

Southwark Council aim to provide a high quality service. If you have any suggestions on how we can improve, please contact Home Ownership Services.

Terms of payment

If you are a leaseholder, and you have received an invoice Southwark Council, under the terms of the lease payment is due within one month. If this presents a problem for you, please contact your service charge collection officer as soon as possible. If you are a freeholder, under the terms of transfer of part, payment is due forthwith. You may wish to pay in twelve equal monthly instalments ending in September 2019. If you wish to do so then complete the enclosed standing order mandate to set up a monthly payment from your bank account.

Methods of payment

Southwark Council accept payments online, through your bank, by telephone and by post.

Online by debit or credit card

Online at www.southwark.gov.uk/payforit and follow the instructions under the heading 'Pay my Service Charges'.

Direct to bank account via BACS

To use this method, please quote our **sort code 62-22-32** and **account number 27540022**, together with your invoice number as reference.

By standing order

A bank standing order form has been included. If you are going to set up your standing order directly with your bank then please quote your invoice number as the payment reference. You are responsible for informing your bank of any changes needed when they are required.

By phone with a debit or credit card

Using the 24 hour automated debit or credit card telephone payment line service on **0845 6000 611** – option 6. Please quote your ten digit invoice number, starting with a 5.

Service charges: Help and advice

The terms of your lease specify that you must pay service charges. If you fail to pay within the time limits defined, you will be in breach of the lease, and may ultimately risk losing your home. For this reason it is important that you let Southwark Council know as soon as possible if you are having trouble paying your service charges or if there is any aspect of the charges that you do not understand.

Additional information on service charges

You can find information on the charges themselves in the leaflets that accompany the invoices, particularly:

- The 'Tenants Rights and Obligations' leaflet, which explains your responsibilities and rights as a leaseholder
- The leaflet 'Annual Service Charge Estimate', details how the charges are broken down.
- If you're a leaseholder then you can find further information about leasehold ownership on the official government website by following the link below.

www.gov.uk/government/publications/how-to-lease

If you are having trouble paying or wish to seek independent advice

If you are having trouble paying, it is important that you let us know. A number of payment schemes for major works are detailed in our 'Major Work Service Charge: Payment Options' leaflet, which accompanies your invoice. You may also get independent advice from a number of other sources listed overleaf.

London Mutual Credit Union is a financial co-operative that exists for the benefit of our members who live and/or work in Southwark, Lambeth, Westminster or Camden.

 020 7787 0770

 www.creditunion.co.uk

 info@creditunion.co.uk

The Money Advice Service set up by the government to offer free and impartial advice.

 0800 138 7777

 www.moneyadvice.service.org.uk

National Debtline offer free independent and confidential advice and are available to discuss options that may be available to you.

 0808 808 4000

 www.nationaldebtline.org

The Southwark Citizens Advice Bureau offer an independent advice service aimed specifically at leaseholders.

 020 7237 9532

 www.southwarkcab.service.org.uk

 leasehold@southwarkcab.service.org.uk

The Leasehold Advisory Service (LEASE) is a government funded body providing free advice on leasehold law.

 020 7832 2500

 www.lease-advice.org

The Local Support Team offers an income maximisation service for the vulnerable or disabled. The team are also responsible for administering the Hardship Fund and the Southwark Emergency Support Scheme, helping customers who are facing severe financial difficulties.

 020 7525 2434

 www.southwark.gov.uk/benefits-and-support

Gas servicing for leaseholders

It is essential that you service your boiler every year. If you let your property it is a legal requirement. You can take advantage of the servicing contract Southwark council uses to maintain the boilers in their tenanted properties. If you are interested please contact Southwark council directly.

Please note that you can only join the scheme if you have your own gas boiler.

What Southwark Council are offering

- A full service of your gas boiler
- Inspection of all other gas internal space heaters
- A Gas Safety Certificate will be issued once the boiler is certified safe by the Gas Safe registered engineer

The cost of the service is £96.65. This does not include for any repairs required, which you will need to arrange and pay for separately.

Please note if your boiler is non-operational then the contractors will not be able to carry out a service.

How to apply for the scheme

For further information and to pay for the service please visit www.southwark.gov.uk/gas-servicing

If you do not want to join the scheme

You do not have to use Southwark council's contractors to carry out your gas servicing, but it is essential that you have your boiler and other gas appliances serviced annually. Leathermarket JMB need proof that your boiler and gas appliance have been serviced so please send a copy of your Home Owner Record or Gas Safety Certificate which is supplied by whoever carries out this service. Please email a copy to homeowner@southwark.gov.uk or post or drop a copy into the office Leathermarket JMB, 26 Leathermarket Street, London SE1 3HN.

