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4. Service charges

What are service charges?

Service charges are your share of the costs that we, as your landlord, have incurred in providing services to your block or estate. We can apply these charges because of the conditions of your lease and they will vary depending on where you live and what your lease says. Each year you will be charged an estimated amount in advance, with the actual cost being calculated after the end of the financial year.

We will send you a summary that shows the costs incurred and the share of your contribution:

- If the actual cost incurred was less than the estimated cost, your account will be credited.
- If the actual cost is more than the estimated cost you will be asked to pay the difference.

If we have to carry out major works or planned investment in your block or estate which is subject to consultation under Section 20 of the Landlord and Tenant Act 1985 (as amended), you will be told about these and billed separately.



How are service charges calculated?

We calculate service charges using the specific calculations as outlined in your lease. Some leases say that the leaseholder is responsible for paying a “fair proportion”, while others define the exact amount, for example “1/48 proportion” or “1/2 proportion”. Leases in the same block as yours might set out a different way of calculating the cost so it might not be accurate to compare your charges with your neighbour.

The estimate

Each lease tells us to give you an estimate of the likely cost of carrying out repairs and providing services to your home at the beginning of each financial year. This estimated cost is calculated by looking at the previous years’ actual cost and information that we have which tells us if any costly works are expected to be carried out that year. Sometimes we will estimate less than you paid last year because we know that a costly item of work was completed last year and isn’t planned for this year.

Your estimate will come in the format of an invoice directly to you with separate headings for each service that we provide.



The actual cost

At the end of the financial year, we will calculate all costs incurred relating to our homes and share the costs between them in the way described in the lease.

By October of each year, you will be sent a statement of actual costs and charges known as an 'actual' - this details any differences between the estimate and the actual amount. If the final amount is a deficit, which means that the costs were more than we estimated, we will tell you in writing and ask you to pay the balance. If it is a credit, which means that the costs were less than we estimated, this will be credited to your account.

What is included in my day-to-day service charge?

Your day-to-day service charge covers all aspects of regularly managing and maintaining the communal areas around your home, which includes things like administration and other costs such as minor repairs.



To find out which services you pay for, as not everyone pays for or receives all services, you should look at your lease. Some of the types of services that may be carried out and what you may pay for through your service charge are:

- Responsive repairs in communal areas
- Cleaning in communal areas
- Grounds maintenance/gardening
- Communal heating
- Estate services
- Lift health and safety
- Lift maintenance
- Lift servicing
- Controlled door entry system repairs
- Controlled door entry system servicing
- Security CCTV
- Electricity in communal area (lighting, lifts)
- Communal digital TV aerials
- Community call at the leasehold scheme for the elderly
- Warden services at the leasehold scheme for the elderly.

Building insurance is also covered in the service charge but not contents insurance.

It is your responsibility to insure the contents of your home.



Ground rent

Ground rent is a payment made by you as the leaseholder to the landlord as a condition of the lease. The payment of ground rent, as with any rent, is specified by the lease and should be paid on the due date.

Responsive repairs

Responsive repairs are communal repairs to the estate and the block generally, including:

- Vandalism
- Graffiti
- Non-planned repairs and maintenance.

Door entry and lift repairs that are in addition to the work covered by service contracts, any other ad-hoc repairs required around the estate or block and any water tank that serves other flats as well as yours, are also included.

You are responsible for the repair and maintenance of everything inside your home, but there are some exceptions. For example, if we installed a communal central heating system, controlled entry system or communal TV aerial and socket, we will maintain these but you will contribute towards the cost of maintenance.



If you need to report a repair, which is the responsibility of the landlord, please ring the repairs team on 01494 463690.

Cleaning

Some, but not all, of our blocks have regular cleaning of communal areas, which is done by either a private contractor or an estate warden employed by us depending on where you live. The cleaning service covers:

- Sweeping and mopping of communal areas
- Litter picking
- Sweeping external areas such as bin chambers and pathways

Where there is a cleaning service we will provide you with a copy of the schedule and publish it in the communal areas. If you have any issues relating to the cleaning of any area, please contact the Customer Services Team on 01494 476100.



Grounds maintenance

The grounds maintenance of communal areas is done by a private contractor and covers:

- Grass cutting
- Shrub and hedge pruning
- Minor tree maintenance
- Control of weeds in paved/tarmaced areas.

Grounds maintenance schedules are available on request. If you have any questions about this service, please contact the Customer Services Team on 01494 476100.

Communal heating

Most of our homes do not have a communal heating system but there are a very small number of that do. We will maintain the communal heating systems. If you have a boiler or heating system inside your home that is not communal, you are responsible for maintaining it.

Controlled entry system servicing

The controlled door entry service contract is managed by a private contractor who carries out the service of all equipment that controls the door entry and provides a report on works and any recommendations of works to be carried out.



Estate services

Estate services are responsible for carrying out a planned programme of block inspections which includes, but is not limited to:

- Identifying communal repairs
- Lighting replacement
- Monitoring of plant rooms such as tank and boiler rooms
- Monitoring of estate services contractors
- Health and safety
- Fire risk inspections.

Buildings insurance

We are responsible for arranging the insurance for the building, although you are responsible for paying a share of the premium. The comprehensive insurance cover provided includes cover for the property's full reinstatement value, as well as subsidence and accidental damage.



Management fee

We review the management fee we charge each year and agree with the Leasehold Interest Group the amount we need to charge to recover our costs. We are not allowed to make a profit from service charges. Our management fee covers the costs we have incurred in arranging the services you receive, administering the annual invoicing and statement process, receiving service charge payments, recovering arrears, accounting of costs and carrying out statutory consultation on long term contracts.

These are the main services we provide, however if you live on an estate you will receive more services than if you live in a street property.

Larger blocks of flats generally have more services than maisonettes and as a result will often have controlled entry systems and lift services. All leaseholders pay for buildings insurance, repairs (where applicable) and ground rent which is a fixed charge applicable to all leasehold homes.

