



Service Charges Guide

This leaflet explains what service charges are and how we calculate them as well as how charges can be queried.

What are service charges?

A service charge is something you may have to pay if we provide you with a service which we are required to deliver to you as the landlord of the building you live in. You will find below a list of all services we provide together with a note on how we calculate them. Whether you receive any of these services will depend on where you live, for example if you live in a flat which doesn't have access to any communal garden area then you will not receive any grounds maintenance charges.

When are service charges issued?

Every April we issue estimated service charges for the upcoming year, at the end of the year we will issue a statement which shows what the actual costs were during the year. Any difference in estimated and actual costs will be reflected in your account balance.

Outlined below is a list of all the services which we provide - you are charged in accordance with your Lease agreement and therefore will only be charged for services which we provide you with

Buildings Insurance

We are responsible for insuring the building you live and issuing you with a buildings insurance certificate every year. We issue your building insurance premium on your annual estimated service charge and this is payable upon receipt. **Note that you are responsible for ensuring that your contents are insured.**

How is my premium calculated?

Your premium is based upon the rebuild value of your home and the annual cost is reviewed on an annual basis.

Communal heating and lighting

If there are areas in your building which are shared (such as hallways) then we need to ensure that they are adequately heated and lit, if you live in a building which does benefit from shared areas then it is likely that you will receive a service charge for communal heating and lighting.

How do you calculate what I need to pay for communal heating and lighting?

We will look to see what it has cost in the past three years to light and heat the communal areas in your building and use these costs to work out an average annual amount. Once we have worked out the average cost then we will divide it by the number of flats in your building to work out what your estimate charge is (e.g. a building with 20 flats has an average communal heating charge of £200, the amount payable per property would be £10). At the end of the year we will know the actual cost of providing heating and lighting is and we will use the same calculation process, any difference in costs will be reflected in your account balance.

Communal Gardening/Grounds Maintenance

This service includes Grass cutting, pruning of trees and shrubs and general maintenance of communal garden areas which you may share with your neighbours

How is the grounds maintenance charge calculated?

We will work out the number of properties who benefit from the grounds maintenance service and divide this figure by the total cost of providing the service which includes staff labour and materials used.

GDX Security

This service is for costs of ensuring high rise buildings are secure and accessible to residents only. The service charge includes CCTV monitoring of blocks and includes the cost of employing CCTV staff who are based at our control room in Atlantic House as well as maintaining the equipment used. If you live in a high storey block then it is likely you will benefit from the GDX service.

How do you work out what the GDX Security charge is?

We work out the total cost of providing the GDX service and divide this by the number of properties who receive it.

Day to Day Maintenance and Repairs

All parts of a building are subject to wear and tear from time to time which needs to be repaired and we class such works as day to day maintenance repairs. An example of a day to day repair job may be if the building you live in has a leaking gutter or the drains you share with your neighbours are blocked.

If I receive a charge for Day to Day Maintenance Repairs, how is it calculated?

We will look to see what it has cost in the past three years to carry out repair works to shared parts of the building you live in and use these costs to work out an average annual amount. Once we have worked out the average cost then we will divide it by the number of flats in your building to work out what your estimate charge is (e.g. a building with 10 flats has an average maintenance charge of £100, the amount payable per property would be £10). At the end of the year we will know the actual cost of providing day to day repairs is and we will use the same calculation process, any difference in costs will be reflected in your account balance.

Management Fee

In order to provide you with all of the services mentioned on this summary sheet we need to employ staff who are equipped to ensure services are provided to you effectively. A management fee is charged for calculation, invoicing and collection of service charges, resolving account disputes and consultation over new or amended charges.

How is the management Fee calculated?

We measure how much time staff across our organisation spend on delivering services to you and divide the total amount by the number of Leaseholders we manage.

Communal Aerial Charge

In some buildings a TV picture will come via an aerial which is used to provide TV pictures for all of the residents in the building, a charge is payable for the upkeep of the aerial to ensure that TV pictures continue to be provided

How is the communal aerial charge calculated?

We work out the total amount it cost us to install a communal aerial to the building in which you live and how much it will cost to maintain the aerial so you will continue to receive a high quality picture to your TV. The total cost is then divided by the amount of properties receiving TV pictures from a communal aerial.

Communal Cleaning

If you live in a building which has a shared hallway and stairs then the likelihood is that we will provide a cleaning service to ensure these areas are kept clean and tidy.

How is the cleaning charge set?

We use the total cost of providing a cleaning service to your building by adding the costs of employing cleaning staff together with the costs of cleaning materials needed. Once we have the total cost we simply divide it by the number of properties receiving this service.

Major Improvements/Major Works

A major work or improvement is something which we need to carry out on a cyclical term for example every 10 years and can relate to a number of things such as replacement of a roof or new gutters. We are responsible for carrying out such works but we must consult with all residents in the block before we do so, we will offer you the opportunity to comment on our plans to carry out major works and in some cases will invite you to nominate a contractor of your choice from whom we should gain an estimate from.

If there are major works carried out on my building will I have to pay for them?

Yes, under the terms of your Lease you have to contribute a fair and reasonable amount to our costs for carrying out major works

How will you calculate what I need to pay?

We will work out the total cost of providing works including staff labour and materials needed and will divide this amount by the number of properties in your building, so for example if major works to a building consisting of 10 flats cost £10,000 the cost per flat would be £1,000.

Gas Servicing

This service is carried out to check that your gas appliances are in safe working order and are burning gas efficiently.

If you purchased your property after November 2009 then your Lease will state that we are responsible for providing your property with an annual gas servicing check and you will be asked to pay for this service at the rate set by our preferred contractor.

If you purchased your property before November 2009 then you can still access our gas servicing contract but you will need to request this from us and agree to pay the rate our preferred contractor charges.

It is very important that the gas appliances in your property are serviced on a regular basis so they provide you and your family with peace of mind that your appliances are burning gas safely and efficiently which should ensure you keep your gas bills down.

How much will it cost to have my Gas appliances serviced?

This amount is calculated by our preferred contractor who charges a competitive rate. The charge will include staff labour and the cost of any equipment which is used.