THAMES VALLEY HOUSING

YOUR SERVICE CHARGE ESTIMATE EXPLAINED **HOME OWNERS**

Your service charge is the money you pay towards the running of the block or estate where you live.

Your lease or transfer document sets out your share of the cost you have to pay and the service it relates to. Depending on where you live, the service charge can include things such as cleaning, gardening and repairs to shared areas.

If you live in a property where these services are provided by another company, (i.e. a managing agent) we will pass these costs on through your service charge.

We do not make any profit from service charges. You only pay charges relating to where you live. These charges do not subsidise our tenants.

How we estimate your charge

Each year we will send you an estimated service charge for the coming financial year. Our financial year runs from 1st April to 31st March. We do our best to make service charges as accurate as possible.

We calculate your estimated charge based on what it has cost to run and maintain your block or estate in previous years.

The service charge cycle

The estimated charge you have received is what it says – an estimate of what we think is needed for you to pay towards the cost of running your block or estate over the next financial year.

Once the financial year has ended, we will calculate how much it has actually cost to run your estate and compare this to the estimated charge.

If we have over estimated your charge, we will refund this amount to your account. If we have under estimated your charge we will contact you about how to make payment. This end of year amount is known as the 'balancing charge.'

Audited accounts

For the majority of homeowners, your lease will stipulate that the service charge accounts for your scheme need to be audited. This means an external accountant checks that invoices have been charged correctly. A summary of these audited accounts is provided to you each September.

Your Estimated Charge Explained

A detailed explanation of how we calculate each service charge item is given overleaf opposite an example service charge breakdown.

Thames Valley Housing Association

Estimated Service Charges - 1st April 2011 - 31st March 2012

Resident Name:	Mr P Smith	Resident Number:	111111
Address:	52 Premier Road, Twickenham, TW1 3RP		
Estate:	Premier Road	Date:	Jan 2011
Block:	50 – 55 Premier Road	Estate Code:	276

Charges for your Estate (1)	Annual Estimated Cost	Monthly Estimated Cost
Building Insurance	98.00	8.17
Grounds Maintenance	69.02	5.75
Rubbish Collection	27.03	2.25
Day to Day Repairs	13.51	1.13
Total Charges for your Estate	**207.56**	**17.30**

Charges for your Block (2)	Annual Estimated Cost	Monthly Estimated Cost
Tree or Pest Control	153.95	12.83
Internal Cleaning	88.59	7.38
Communal Lighting	8.75	0.73
Day to Day Repairs	100.00	8.33
Total Charges for your Block	**351.29**	**29.27**

Charges for Management and Auditing (3)	Annual Estimated Cost	Monthly Estimated Cost
Management Fee	259.00	21.58
Audit Fee	22.17	22.17
Total Management and Auditing Charges	**281.17**	**43.75**

Total Annual Charge for your unit	**840.02**
Monthly Charge from 1st April 2011	**90.32**

Additional Information:
These charges are for the year commencing 1st April 2011
Accounts for this year will be sent to you in September 2012

Charges for your Estate (section 1)

Grounds Maintenance and Cleaning: This is the cost of providing any outside cleaning of shared communal areas and any communal gardening service. This usually covers grass cutting, pruning, weed control, leaf clearance, litter picking and sweeping of paths and car parks. If applicable, it can also include the replacement of light bulbs. Each year this estimated cost is set through an agreed percentage change with the contractor.

Rubbish collection: This cost is for any contract in place for the emptying of paladin bins and/or rubbish chutes (if these are present). It also covers any costs we have incurred for the removal of large items of rubbish. These costs can be avoided if residents arrange for the removal of any large items themselves. Wherever possible, if we are able to identify who has dumped large items, we will recharge this cost to this person only (i.e. it will not be recharged through the service charge). Each year this estimated cost is set through an agreed percentage change with the contractor.

Day to day repairs: This covers all day to day repairs to communal parts of your estate. Each year this estimated cost is set through an agreed percentage change with the contractor.

Tree Care/Pest Control: This covers pruning, removal of trees or tree surveys. It also covers any costs associated with removal of pests, e.g. wasp nests, vermin, etc. Each year this estimated cost is set through an agreed percentage change with the contractor.

Car Parking: This is the contractor's charge for administering parking control and any specific costs relating to a car parking area. Each year this cost is determined by the contractor.

Abandoned Cars: This is where we have arranged for an abandoned car to be removed from your scheme, (e.g. open grounds or a car park area) the cost of organising this collection and disposal of the vehicle is passed on to residents. This is only charged to residents where we have been unable to find the registered owner of the vehicle. This cost is determined by the DVLA and contractor employed to remove the vehicle.

Communal Water: This charge covers the cost of any external water supply to your estate. e.g. water tap in the bin store. Each year this cost is determined by your water authority. As we are invoiced after the estimates have been produced, we estimate based on previous years charges together with an inflation uplift.

Managing Agent: If a managing agent delivers some or all of your services, this cost relates to the bill we pay to them on your behalf. Every managing agent is contractually obliged to provide Thames Valley Housing with their accounts for each accounting period. This cost is usually uplifted by an inflation figure. Generally, management companies have not supplied their estimates when we have set ours.

Charges for your Block (section 2)

Buildings Insurance: We have to insure the building you live in. The policy does not cover contents insurance, as this is your responsibility. An independent valuation is obtained by our broker who also negotiates the best possible insurance rate for our total property portfolio. You must pay for this insurance under the terms of your lease. We will send you a summary of the policy on request.

Internal Cleaning: This cost covers any cleaning provided to internal areas and may include sweeping, vacuuming and dusting of communal hallways and stairs. It also includes sweeping of bin/bike store areas. The cleaning of communal windows is usually included on a quarterly basis and excludes your own windows. Each year this estimated cost is set through an agreed percentage change with the contractor.

Day to Day Repairs: This covers all day to day repairs to communal parts of your building. Each year this estimated cost is set through an agreed percentage change with the contractor.

Fire Equipment Maintenance: This is for any provision and maintenance of fire equipment in your block. Each year this estimated cost is set through an agreed percentage change with the contractor.

Entry Phones: This relates to the rent, leasing or maintenance of the door entry system to your block. Each year this estimated cost is set through an agreed percentage change with the contractor.

Lift Insurance: This cost is for the premium for a lift insurance policy for your block (if applicable). Each year this estimated cost is set through an agreed percentage change with the contractor.

Heating Costs (Gas or Electric): This is the cost of providing heating and hot water for your personal use from a communal supply. Each year this cost is determined by your power supplier. As we are invoiced after the estimates have been produced, we estimate based on previous years charges together with an inflation uplift.

Communal Lighting: This cost covers the metered electricity charges that relate to any lighting or any communal hall heating in your block. It may also cover external lighting charges for your estate. Each year this cost is determined by your power supplier. As we are invoiced after the estimates have been produced, we estimate based on previous years charges together with an inflation uplift.

Shared Water: This cost is for your individual water supply costs if the water to your property is supplied via a shared water meter for your block. This is a different charge to the communal water supply. Each year this cost is determined by your water authority. As we are invoiced after the estimates have been produced, we estimate based on previous years charges together with an inflation uplift.

Security Costs: This cost covers expenses such as any CCTV system in operation or the cost of any telephone line required for a door entry system. Each year the cost of the phone line is determined by British Telecom. As we are invoiced after the estimates have been produced, we estimate based on previous years charges together with an inflation uplift.

Other Maintenance Contracts: This may cover a pumping station maintenance contract, water testing contract, a lift maintenance contract, or any other type of maintenance contract. It may also include the cost of repairs under these contracts. Each year this estimated cost is set through an agreed percentage change with the contractor.

Charges for Management and Auditing (section 3)

Management fee: The management fee is a contribution towards the cost of managing estates and providing home owner services. It includes:

- Providing a general housing management service which includes site inspections, responding to enquiries, arranging repairs, etc.
- Organising contracts for services and monitoring the performance of contractors and managing agents
- Estimating service charges and account reconciliation within the service charge year
- Paying invoices for service charge related elements
- Rent setting
- Rent and service charge collection
- Arranging buildings insurance, making claims and supporting home owners in making their own block policy claims
- Providing newsletters and information leaflets
- Staff salaries, premise costs, IT systems, staff training and insurance.

We regularly benchmark our management fee against other housing providers to ensure we remain competitive.

Some customers may be eligible for a reduction in their management fee and if this is applicable to you, a reduction will already have been applied to your account.

For example, if a managing agent provides all the services at your scheme you will pay a reduced fee to Thames Valley of only 40%.

If you own 100% of your property but are still receiving services from us, you will receive a 20% reduction.

(Please note: A separate management charge is applied to cyclical redecoration works and some other specialist home owner services. Further information regarding these charges can be provided on request.)

Audit fee: This covers the cost of appointing auditors to provide your audited service charge accounts and certificate. The cost is agreed with our audit consultants.

YOUR QUESTIONS:

Are residents consulted about service charges?

Yes. We have consulted with residents, who helped shape the method we use to set estimated charges. We shall continue to consult residents to make important decisions, as well as holding local resident meetings to discuss service charge related matters.

What about the sinking fund?

Some properties have a sinking fund attached to them. This is designed to help spread the cost of paying larger bills, such as cyclical redecorations of communal areas. The sinking fund is not part of the service charge, but payments are collected with the charge and are included on the estimated service charge information we send you. Money collected is kept in a separate interest bearing account. If you sell your property you can not take what you have saved into the sinking fund with you. Make sure you discuss this with your solicitor in the negotiations for your sale.

What if I don't agree with the items on the estimated service charge?

Please tell us straight away. We will investigate the estimate and will work with you to resolve your query. If we agree an error has been made we will adjust your estimate and that of anybody else affected by the same error in your block. If you are dissatisfied with our decision you may wish to follow our complaints procedure or take the matter to a Leasehold Valuation Tribunal (LVT).

What is an LVT?

This is an independent and impartial semi-formal hearing, typically consisting of a lawyer, a surveyor and a lay person. They can look at whether a service charge is payable and the reasonableness of the amount being charged. They will issue their decision in writing as soon after the hearing as possible.

You can find out more about LVTs from their website: www.rpts.gov.uk

How can I pay my service charge?

Payment can be made by:

- **Rent Payment Card** – this can be used to pay your rent and/or service charge at the Post Office and other outlets displaying the Paypoint sign.
- **Cheque** – made payable to Thames Valley Housing Association. Please put your name, address and tenancy number on the back of your cheque.
- **Direct debit** – we will automatically adjust this to collect your new combined rent and service charge.
- If your account is in arrears you will need to contact us to make an arrangement. Additional changes can by made by you over the telephone
- **Standing order** – you will need to contact your bank to change your payments to the new amount.
- **Telephone** – Allpay's automated payment service is a secure payment processing service, available 24 hours a day, 7 days a week. This service can be accessed by contacting our Customer Service Centre on Freephone 0800 358 7767 (option 2) or by contacting Allpay direct on 0844 557 8321.
- **Online** – You can make a payment by logging onto www.allpayments.net. Please make sure you have your payment number to hand.

What if I can't pay my new rent and service charge amount?

If you think you may experience difficulties, please let us know straight away. We will do our best to help you plan your payments. You can contact us on 0800 358 7767.

If you need any more information, please contact:

The Service Charge Team
Thames Valley Housing Association
Premier House
52 London Road
Twickenham
TW1 3RP

Phone: **0800 358 7767** (Customer Service Centre)From a mobile: **020 8607 0607**
Fax: **020 8607 9923**
Email: **servicecharge_enquiries@tvha.co.uk**

APPROVED BY RESIDENTS

THAMES VALLEY HOUSING