



YOUR GUIDE TO VARIABLE SERVICE CHARGES FOR TENANTS

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

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.

How we estimate your charge

Each year we send you an estimated service charge for the coming financial year. Our financial year runs from the first Saturday in April to the end of March of the following year. 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 estimated charge you receive is what it says – an estimate of what we think is needed from you to pay towards the cost of running your block or estate over the next financial year. If we have estimated too much in one year we shall take that into consideration the following year with a likely reduction in your annual charge.

A detailed explanation of how we calculate each service charge item is shown overleaf, alongside an example of a typical service charge breakdown.

Rent Setting

Your rent is reviewed annually as specified in your tenancy agreement and in accordance with government policy. This policy is to establish similar rents for comparable properties by 2012. These are known as "target rents."

From 2nd April 2011 changes in your rent will be calculated using a national formula determined by the government. If your rent is higher than the target rent it may be decreased by up to a further £2 per week. If your rent is lower than the target rent, additional increases of up to £2 per week may be added. In these cases, you will have a small rent increase.

If you would like further information on target rents then we would recommend you download a leaflet entitled Rents, rent differentials and service charges for private registered providers 2011-12 by visiting this web page: www.tenantservicesauthority.org/upload/pdf/Rents_2011-12.pdf

Thames Valley Charitable Housing Association

Thames Valley Charitable Housing Association - Service Charges – 2011/2012

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

Description	Estate / Year	Home / Year	Home / Week
2040 - Cleaning &/Or Gardening	23537.28	574.08	11.04
2060 - Refuse/Rubbish Collection			
2080 - Tree Care & Pest Communal	4774.37	116.45	2.24
2090 - Cleaning Only			
2100 - Wardens Accommodation			
2200 - Insurance Lifts			
2210 - Heating Costs Gas Or Elect.			
2220 - Communal Lighting Electricity	16305.19	397.69	7.65
2250 - Communal Water Charges	4543.96	110.83	2.13
2320 - Security Costs			
2350 - TV Licence & Rental Costs			
2411 - Management Agent			
2640 - Furniture Replacement	262.82	6.41	0.12
2676 - Abandoned Cars			
2980 - Lift Maintenance Contract			
2990 - Fire Alarm/Emerg Light Maint			
3010 - Entryphones-Rent/Lease/Mtce	257.50	6.28	0.12
3070 - Supp/Hou Elect/Specialist Equip			
MANG - Management Fee - Rented		181.76	3.50
Total 2011/2012 Service Charge	49681.12	1393.50	
Weekly Payment Due From 02 April 2011			26.80

Your Service Charge Breakdown Explained

An example of an estimated service charge is included on the opposite page. It has been divided into a number of sections which correspond with the following information and explanation of how it is estimated.

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. It can also include the replacement of light bulbs (if applicable). 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.

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, car park area etc.) If we do not have the vehicle keeper details, the cost of organising this collection and disposal of the vehicle is passed on to residents. 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 the local water authority. As we are invoiced after the estimates have been produced, we uplift the last known annual cost.

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.

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 – this excludes residents' own windows. 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.

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 electricity / gas providers. As we are invoiced after the estimates have been produced, we uplift the last known annual cost.

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 the electricity supplier. As we are invoiced after the estimates have been produced, we uplift the last known annual cost.

Shared Water: This cost is for your individual water supply 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 uplift the last known annual cost. For the contract / installation of equipment, this cost is determined by the contractor.

Other Maintenance Contracts: This may cover a pumping station maintenance contract, water testing contract, 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.

Management fee: We are committed to providing a value for money service for residents. The management fee is currently 15% of the cost of the services provided to you. This fee covers Thames Valley Housing's costs for providing the management service for your block. The fee includes rent setting, collection and administration, service charge setting, collection and administration, monitoring services of contractors, liaising with the benefits agency, mortgage lenders, solicitors, local authorities, and other public statutory bodies. The fee also includes costs such as IT support, human resources, postage, stationery, telephones and other general office costs divided between the number of residents in your block.

We regularly benchmark our Management Fee against other housing providers to ensure we remain competitive.

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 with residents to make important decisions, as well as holding local resident meetings to discuss service charge related matters.

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/scheme. 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

Why do I have to pay service charges when I pay rent?

Service charges are separate to any rent that you are charged. Service charges cover the cost of communal services that you benefit from, whilst your rent covers the charge of renting your home, which includes items such as household repairs and maintenance and an annual gas safety inspection, if applicable.

If TVH over estimates my service charge in a particular year what happens to the extra I have paid?

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 reduce your service charge in the following year.

If TVH under estimates my service charge in a particular year will I be expected to pay towards the balance outstanding?

If we have under estimated your service charge in a particular year, we will recover the amount in the following year through your service charge

Will I be entitled to a refund if a particular service is not delivered in my block, for example cleaning?

We encourage residents to report incidences where cleaning does not happen or it is to a poor standard. We carry out regular estate inspections which would highlight this. We can arrange additional inspections if concerns are raised. You will need to contact our Customer Service Centre in a timely manner and request an investigation. It is very difficult to investigate periods of non-delivery of services if it is not reported quickly, so please let us know as soon as possible.

If we have sufficient evidence of performance issues with a contractor we place credits on residents' rent and service charge accounts. Please note that when refunds are given, those residents who are in receipt of housing benefit will have the money credited to their rent and service charge account, however the refund amount may go back to the housing benefit department. We will organise this on your behalf when this is the case.

I am on housing benefit, what do I do if my circumstances change?

If Thames Valley Housing is currently receiving direct payments of housing benefit for you, we will automatically advise them of your new rent and service charge.

It is also advisable to provide housing benefit with your rent and service charge increase letter yourself.

When your circumstances change, it is essential that you advise housing benefit immediately so your claim can be reassessed.

What elements of my service charge are covered by housing benefit?

Housing benefit will normally pay all of your service charge except your personal consumption of gas, electric or water. This amount will be stated as service charge non-eligible for housing benefit and shown on page one of your rent and service charge increase letter.

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 Charitable 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 be 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 Charitable 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**

