

YOUR SERVICE CHARGE ESTIMATE EXPLAINED

HOME OWNERS

YOUR ESTIMATED SERVICE CHARGE

At this time of year we send you an estimated service charge for the coming year. We try to make our estimate as accurate as possible by looking at the cost of services in the previous year, and at what work needs to be done to keep your building and grounds in good condition.

This is our estimate of how much we think the service charge should be to provide the services from this April through to March next year.

THE SERVICE CHARGE CYCLE

We charge you each year for services from 1 April to 31 March the following year. When the year finishes in March, we check everything carefully so we can send the final account to you in September. This means there is a service charge 'cycle' of 18 months for each year's charges.

AUDITED ACCOUNTS

Each year we will check the actual cost of services and compare this to the estimated amount we collected through the year. There is normally a difference and this is called the "balancing charge", which means we may owe you money, or that you may owe us. When we write in September we'll let you know how any balancing charge can be settled between us and we will make this as easy as we can for you.

For most homeowners, your service charge account will be audited, as required in the lease. This means it will be checked by an independent auditor to protect you and make sure everything is charged correctly. The checked accounts are then sent to you in September.

WHAT DO SERVICE CHARGES PAY FOR?

Service charges cover the cost of services we provide where you live. These can be very different at each scheme – so not all the following examples will apply to where you live.

We normally base our estimate on actual costs from the previous year, and increase this by inflation and any other increases that will affect the service the coming year. Just for information, we don't make a profit from your charges and you only pay for services where you live – you are not subsidising anyone else.

GROUNDS MAINTENANCE: This means the cost of cleaning and gardening of any outside shared or 'communal' areas. This may include things like the sweeping of paths, grass cutting, weeding, shrub pruning, leaf clearing, litter picking and so on. This may also include the replacement of light bulbs on some schemes. We base our estimate on the price we agree with our contractor.

BLOCK CLEANING: This is the cost of cleaning any inside shared or 'communal' areas. It may include sweeping, vacuuming and dusting hallways and stairs, and the sweeping of bin and bike stores. Cleaning of communal windows is usually included, but does not include the windows of your own home. We base our estimate on the price we agree with our contractor.

BULK RUBBISH COLLECTION: This is the cost of cleaning large bins and communal rubbish chutes if you have them. It also pays for clearing large items of rubbish left on your estate, although we don't charge if residents arrange and pay for the clearance of their own rubbish. If you know who has dumped an item and tell us, we can recharge them individually rather than charge everyone. We base our estimate on the actual costs from the previous year.

COMMUNAL REPAIRS: This is the cost of day-to-day repairs of the communal parts of your estate and/or block. We base our estimate on the actual costs from the previous year.

TREE WORK: This is for the pruning or removal of any trees. It also includes the cost of a regular survey to plan and cost the work we need to keep any trees in good condition.

PEST CONTROL: This is for the cost the removal or control of pests – like wasp nests, rats, pigeons and squirrels. We base our estimate on the actual costs from the previous year.

ABANDONED CARS: This is for removing any abandoned cars from your scheme, and we only pass on charges to residents if we cannot find out the name of the registered owner. This charge will be the direct costs of removing the vehicle each time.

COMMUNAL WATER: This covers the cost of any external water supply to your estate, like a water tap in the bin store. We base our estimate on the actual costs from the previous year.

MANAGING AGENT: If you live in a home where services are provided by another company, like a managing agent, then we will pay them directly and then pass their costs to you through our service charge. Each agent must provide us with their accounts. Most managing agents don't provide us with an estimated figure, so our charge to you is usually based on the previous year's costs uplifted by inflation.

BUILDINGS INSURANCE: We normally insure your building structure, and you are required to pay this through your lease. Our broker negotiates a flat rate across all our schemes, and you can see the details of the policy on request. The policy does not cover your contents insurance and this is your responsibility.

FIRE MAINTENANCE CONTRACT: This is for any fire equipment in your block, like smoke detectors or fire alarms. We base our estimate on the price we agree with our contractor.

DOOR ENTRY SYSTEM: This is for the cost of maintaining the door entry system to your block. We base our estimate on the price we agree with our contractor for that year.

LIFT INSURANCE: This is for the cost of a lift insurance policy for your block if we have one. We base our estimate on the price we agree with our insurer.

COMMUNAL HEAT COST (GAS OR ELECTRIC): This is for the cost of providing heating and hot water for your personal use from a communal boiler or supply. We are normally invoiced after we produce your estimates, so we normally base our estimate on actual costs from the previous year and increase this by inflation.

COMMUNAL LIGHTING AND ELECTRICITY: This cost covers any metered electricity charges that relate to any lighting and communal electricity in your block. It may also cover

external lighting charges on your estate, like street or car park lighting. We normally base our estimate on the actual costs of communal electricity from the previous year, plus inflation.

PERSONAL WATER CHARGE: This cost is for your personal water supply in your home where this is provided by a shared water meter for your block. The cost each year is fixed by the local water authority. We are normally invoiced after we produce your estimates, so we normally base our estimate on actual costs from the previous year and increase this by inflation.

PARKING COSTS: This is for any separate parking charges on your estate, like cleaning and parking enforcement. We base our estimate on the price we agree with our contractor for that year.

CYCLICAL REDECORATION OR MAJOR WORK: This is where we do major work to your block or estate from time to time, like redecorating or replacing the windows or roof. If we do this, we charge for the administration and management of these works, which includes assessing, tendering and supervising work. We base our estimate on the price we agree with our contractor, together with any professional fees to supervise the work.

PUMPS MAINTENANCE CONTRACT: This is for servicing and maintaining sewage or surface water equipment. We base our estimate on the price we agree with our contractor for that year.

VENTILATION & HEAT RECOVERY: This is for maintaining and replacing any ventilation, heat recovery and air conditioning equipment. We base our estimate on the price we agree with our contractor for the year.

WATER HYGIENE: This is for testing and monitoring for water-based bacteria, like Legionella, in water tanks and systems. We base our estimate on the price we agree with our contractor for the year.

CCTV: This covers the cost of any CCTV system on the scheme, and also includes the cost of any telephone line required for any door entry system. The cost is set by British Telecom and we are normally invoiced after we produce your estimates, so we base our estimate on actual costs from the previous year and increase this by inflation.

AUTOMATIC GATES: This is for the cost of servicing, maintaining and replacing any electric barriers and gates. We base our estimate on the price we agree with our contractor for the year.

MAINTENANCE CONTRACTS: This may cover various contracts on your scheme and associated repairs. This can be a mixed bunch, but examples include contracts for pumping stations, water testing and lifts. We base our estimate on the price we agree with the contractor.

MANAGEMENT FEE: The management fee is a contribution towards the cost of managing estates and providing homeowner services, which includes:

- ▶ Our general housing management service - inspections, enquiries and managing repairs
- ▶ Procuring, monitoring and managing the contracts for the services you receive
- ▶ Rent setting, collection and arrears management
- ▶ Service charge management— estimating, monitoring and reconciling charges each year
- ▶ Service charge revenue collection and management
- ▶ Paying contractor invoices for services you receive
- ▶ Arranging buildings insurance and managing claims
- ▶ Supporting home owners in making their own block policy claims
- ▶ Providing newsletters and information
- ▶ Staff salaries, premises costs, IT systems, staff training and insurance

We regularly benchmark our management fee against other housing providers to ensure we remain competitive. The management fee does not pay the whole cost of the above service, which is subsidised by Thames Valley Housing.

AUDIT FEE: This covers the cost of getting an independent audit of your service charge accounts to protect you and make sure everything is charged correctly. We base our estimate on the price we agree with the auditor for that year.

OTHER CHARGES: This heading may also include Ground Rent. This is a payment made by the leaseholder to the landlord as a condition of the lease, and the terms are set out in your individual lease if you need to pay this.

YOUR QUESTIONS

Are residents consulted about service charges?

Yes we have, and have used this feedback to shape the way we now estimate service charges. We also have to consult with residents by law when making certain decisions and are happy to meet with residents to make sure we have feedback in the way we manage the service.

What about the sinking fund?

This is like a piggy bank held by the landlord and used to help pay towards large scale estate work to be carried out in future – like replacing the windows or roof. The Sinking fund is not part of the ‘normal’ service charge, but the payments collected are shown on the service charge statement so residents can easily keep track.

This can build up over a number of years and is held in a separate interest bearing account for the residents’ benefit only. If you sell your property, you can’t take what you have saved in the sinking fund with you, but you may be able to negotiate with your buyer through your solicitor when you sell.

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

Please tell us straight away and we will investigate and will work with you to resolve your query. If we agree we have made a mistake we will adjust your estimated charge and that of anybody else affected by the same mistake. If you are not satisfied with our decision, you may also use our complaints procedure or take the matter to a First Tier Tribunal.

What is a First Tier Tribunal?

This is an independent, semi-formal hearing, normally with a panel including a lawyer, a surveyor and a lay-person. They can look at whether your service charge is payable and reasonable and they can give you their decision in writing as soon after the hearing. You can find out more about First Tier Tribunals from the website:

www.justice.gov.uk/tribunals/residential-property

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 should contact us to make a payment arrangement that you can reasonably afford. 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 calling **0300 456 2929, option 2.**
- ▶ 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 **0300 456 2929 option 2.**



MyTVH is a great way to view your rent account and make requests for service. This works on any device and over the next year or so we will be adding new and improved services online.

You will be able to make payments on line and check on the progress of repairs – rather than having to email or ring us. If you want to sign up to this very secure system you can register at

www.tvha.co.uk/mytvh

