

Your service charges explained

A service charge is a payment made by the resident, shared owner or homeowner towards the cost of services or benefits received beyond those specifically for their home. It is paid in addition to the rent and/or the mortgage.

Your tenancy or lease will set out whether you should pay a service charge. There are two main types of service charge:

Fixed service charges

At the start of the financial year we estimate the charges for where you live as we do not always know how much it will cost to maintain in the coming year. We do our best to make our estimates as accurate as we can. Once this charge is set, it will not vary throughout the year and are not adjusted to take account of any over or under spend.

Variable service charges

These are based on actual costs for a particular year together with any anticipated costs. At the end of the financial year we produce a final statement of the charges payable and send this to you. In most cases, any surpluses and deficits will normally be carried forward into the following service charge year.

What items are covered by a service charge?

Please see the example below. This is not a complete list and you may receive fewer or more services than are listed. In some cases items may be described or grouped differently on your statement or in your agreement.

| Item | Description |
|------------------------------------|--|
| Estate staff costs | A proportion of estate staff costs. |
| Electricity | Electricity supply to external and/or internal communal areas. This includes unadopted street lights, bollards, car park and pathway lighting. |
| Cleaning | A cleaning contract for internal communal areas or cleaning materials for your estate officer. If no contract is in place, we allow for a one-off clean. |
| Window cleaning | Cleaning of communal windows. |
| Gardening of communal areas | Grounds maintenance contract for your block or estate which will also include car parks and hard surfaces. |
| Refuse collection | Collection of illegally dumped rubbish. Does not include normal council refuse collection. |
| Day to day maintenance | Minor repairs to communal areas including pest contracts and emptying dog bins. |
| Laundry equipment repairs | Hire, servicing and repairs to washing machines and/or tumble driers in communal areas. |

| Item | Description |
|--|---|
| Laundry equipment repairs | Hire, servicing and repairs to washing machines and/or tumble driers in communal areas. |
| Communal water rates | Water and sewerage charges for external taps, community rooms, guest rooms and laundry. |
| CCTV | Maintenance and servicing of CCTV equipment. |
| Fire alarm system | Maintenance and servicing of fire alarm systems. |
| Lift | Maintenance and servicing of lifts. |
| Door entry system | Maintenance and servicing of door entry system including automatic doors. |
| TV aerial | Repairs to communal TV aerials . |
| Admin fee | Administering and managing the services listed in your annual service charge statement. |
| Provision for asset replacement | Provision for planned replacement of communal equipment such as lifts, door entry and TV aerials. |

Why are some services provided by a management company?

Sometimes many or all of the core services are provided by a private management company which are usually appointed by the developers or head landlord of the estate. Management companies or their agents provide a range of services including cleaning blocks of flats as well as managing grounds and estates. In these cases, we will arrange the collection of service charges from residents and some homeowners to pass onto the management company. Sometimes the managing agency services are provided by us.

What happens with new properties?

It can be difficult to anticipate all future costs for newly built homes where there is no previous information. In many cases the developer will take responsibility for some services such as grounds maintenance until the whole estate is fully built.

In the first year of a newly built estate we will usually need to make a small charge for services in advance based on estimates provided by the developer. This is so we ensure costs such as electricity, litter collecting or communal maintenance charges are included. If we have over or under collected the service charge it can be adjusted in future years when we have a more accurate idea of expenditure. We will always try to make these estimates as accurate as possible.

On occasion the full range of services needed on a new estate may not become apparent until the estate has been fully completed and handed over to us or the managing agent by the developer.

What you will receive from us

For variable service charges we will send you a statement within six months of the year end, showing how much has been spent on the services provided compared to how much the budget was set for. Any over or underspend will be carried forward to the following years forecast budget.

We will send you an annual consultation letter with the proposed service charge you will pay from the beginning of your account year. Currently we have a range of start dates for the service charge year, including March, April, July, October and January. You will also receive a forecast budget of what we are proposing to charge for your following financial year. This will include any overspend or credit from the statement mentioned above.

You have 28 days to let us know your comments and queries about the proposed service charge. We will review these and make any agreed changes.

If you agree with the proposed charge, you don't need to let us know. We will go ahead with this unless we hear from you before the end of the 28 days.

If I do not use a communal area, why should I pay?

Shared areas such as communal gardens, play areas and car parks are available for use by residents and are included in the service charge. You pay for the upkeep of these areas as it benefits the overall estate and community.

What can I do if I believe my service charge is not reasonable?

Once you have received your income and expenditure statement you can ask to view, inspect and take copies of invoices, utility schedules or documents that support the service charge. A small charge may be made for this service.

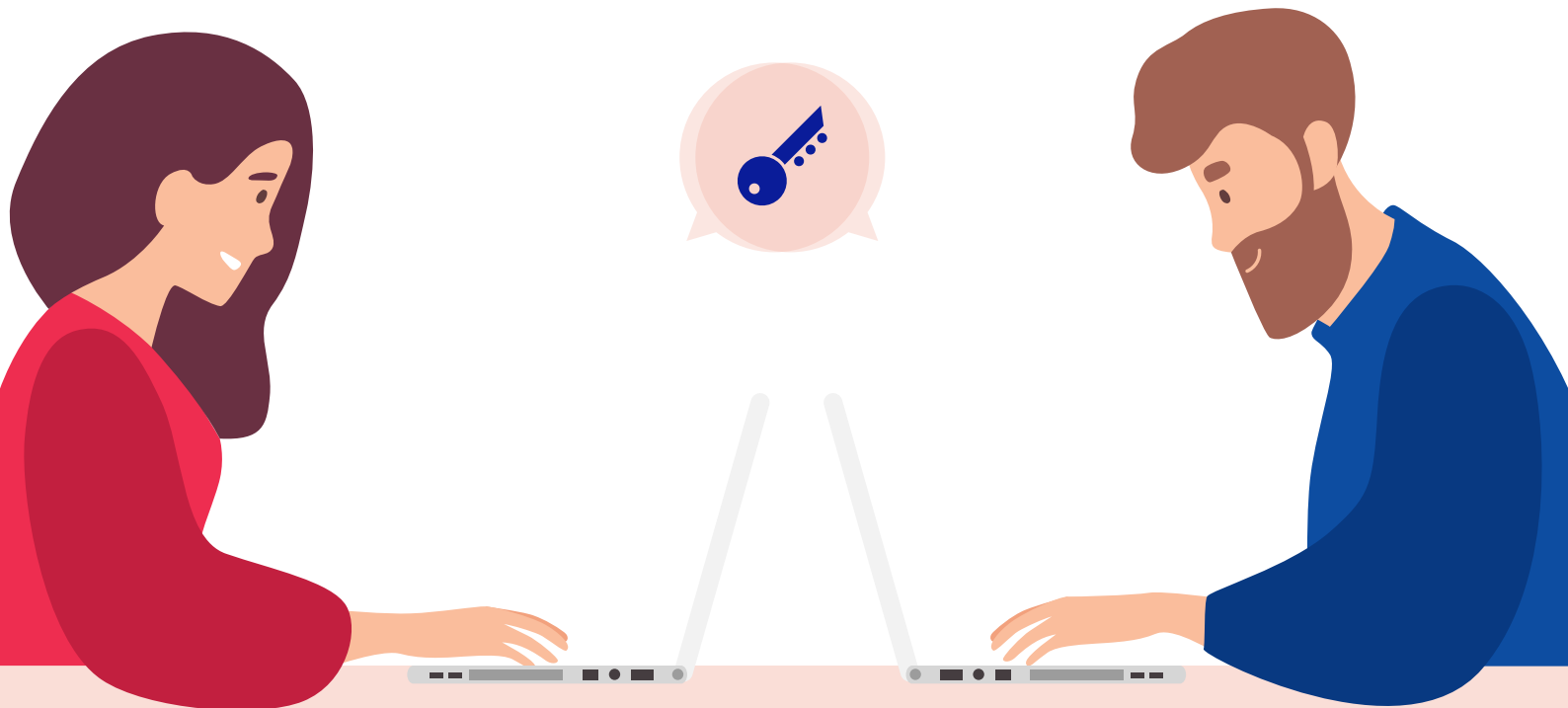
- If you pay a variable charge you can apply to the First Tier Property Tribunal who will determine if the charge is reasonable.
- If you have a fixed service charge this can be referred to a rent officer within the First Tier Property Tribunal to determine if the charge is fair.

What action can I take if I am unhappy with a service?

We always try to put things right so please let your estate officer, housing officer or leasehold officer know if you are unhappy with any services provided. We can resolve the issue or approach the contractor or managing agent on your behalf to solve the problem.

Can I get help to pay my service charge?

Most of the charges we raise are eligible for housing benefit or Universal Credit. If you are a resident you may wish to contact your local authority to check that you are receiving the right level of benefit.



Did you know you can find lots more information on our website. **Visit [livewest.co.uk](https://www.livewest.co.uk)**

Supporting you

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Service.Charge.team@livewest.co.uk
01392 302 138