



Your Service Charges Explained

**A guide to explaining your Service Charges.
Please file and keep for future reference.**

What is a Service Charge?

A Service Charge is a payment made by a tenant or homeowner towards the cost of providing and maintaining communal services associated with your property, such as grounds maintenance of communal space. This is an additional cost to any rent or ground rent that you may pay.

What is the difference between Eligible and Ineligible Service Charges?

Costs that are classed as Eligible are allowable for Housing benefit, any costs classed as Ineligible you will not be able to claim under Housing Benefit.

What is a Scheme, Block or Sub-Block

These are how we group properties together that share the same services as you. A group of properties that share the same services are all within the same scheme. If your property shares other services with other properties as well, you will have a block and/or sub-block code.

How are the costs allocated to you?

The costs are allocated by the number of units that benefit from the service. For example, if your ground maintenance works benefits 30 homes the cost will be equally apportioned 30 ways, but if your communal lighting only benefits 5 homes, this cost will be equally apportioned 5 ways. Your service charge estimate or statement will show the total costs and the number of units it is apportioned over.

How are your Service Charges calculated?

FIRST YOUR ESTIMATE IS CALCULATED

To calculate the costs that are expected to be incurred during the year ahead we look at costs that have occurred in the previous years with any contract changes that are likely to be introduced as well as other factors such as possible inflation, VAT changes or a change to the service provided. Some costs are very difficult to estimate, such as responsive repairs and for these an estimate is calculated based on the total amount spent over all the schemes in the previous year. The service charge estimate is calculated before the start of the financial year and sent to you by March, this is the amount you pay during the year.

THEN YOUR STATEMENT OF WHAT WE ACTUALLY SPENT IS CALCULATED

Once the financial year has finished we look at what we actually spent on your service charges, to ensure you only pay for what we spent. The statement has to be completed 6 months after the financial year has ended, which is the 30th September in any given year. If we have underspent this will show as a surplus on your statement, if we have overspent this will show as a deficit on your statement.

What does an Estimate mean and how does it relate to my Statement?

An estimate is just that, an **estimate** of the costs that Havebury are likely to incur and this is paid by you throughout the year. The Statement shows what was **actually** spent. If we spent less than we estimated then you will have a surplus on your account or if we have spent more than estimated you will have a deficit. These surpluses (underspend) and deficits (overspend) will be included in the service charge estimate in the following year. (For Leaseholders this amount will be put straight on to your account). Hence, you **only** pay for the services you actually receive. The Service Charge Cycle on the next page explains this.

Collection of Deficits and refunding Surpluses

IF YOU ARE A TENANT OR A SHARED OWNER

The collection of a deficit (over spend) or a refund of a surplus (underspend) will be made as an adjustment to your next Estimate. Hence the next estimate will be calculated as above and then the surplus will be deducted or the deficit will be added, this estimate is sent in March, and this will be paid throughout the year, either weekly or monthly.

IF YOU ARE A LEASEHOLDER OR FREEHOLDER

The collection of a deficit (over spend) or a refund of a surplus (underspend) will be added to your account. Once added to your account, if the balance remains as a deficit this is due to Havebury by 31st October. If your account balance is a surplus, this can either be left on your account to go towards future bills or providing you are up to date with all payments you can request this to be returned to you.

If your statement shows a deficit, an invoice under separate cover will be issued to you

The Service Charge Cycle

**April 2013
to
March 2014**

**Estimate
Sent March 2013**

**Statement
Sent Sept 2014**

**Surplus or Deficit
adjusted in your
2015-16 estimate
(Leaseholders
/Freeholders - Your
amounts are added
to your account in
Sep 2014)**

**April 2014
to
March 2015**

**Estimate
Sent March 2014**

**Statement
Sent Sept 2015**

**Surplus or Deficit
adjusted in your
2016-17 estimate
(Leaseholders
/Freeholders - Your
amounts are added
to your account in
Sep 2015)**

**April 2015
to
March 2016**

**Estimate
Sent March 2015**

**Statement
Sent Sept 2016**

**Surplus or Deficit
adjusted in your
2017-18 estimate
(Leaseholders
/Freeholders - Your
amounts are added
to your account in
Sep 2016)**

The types of Service Charge

ELIGIBLE COSTS	
Building Cleaning	Costs relating to any cleaning incurred within the communal areas of your building.
Communal Utilities	Relating to communal supplies such as stairwell lighting and heating for communal lounges.
Communal/Office Telephones	Costs relating to any communal phones or phone lines in communal areas, lifts or for the internet.
Communal Internet Charge	Costs relating to a communal internet service that is available in a communal area.
Door Entry	Costs relating to the servicing of the communal door entry system.
Electrical Testing/ Emergency Lighting	The cost of checking any electrical equipment that uses the communal supply, such as equipment in communal areas or larger items such as lifts. It also includes testing and servicing of emergency lighting.
Fire Safety	The costs of maintaining any fire safety within the communal areas.
Furniture/ equipment purchase	Costs relating to furniture and equipment for communal areas such as communal lounges and kitchens
Grounds Maintenance	The cost of maintaining any common areas of outdoor space from cutting the grass, to litter picking to maintaining the hedges.
Lift	Costs relating to the servicing of the communal lift.
Managing Agent Costs	These costs are incurred when a third party looks after all or some of your service charges.
Management Fees	A management fee is included to cover the administrative cost of managing the service. It is calculated at 15% on all costs excluding personal utilities.
Pest control	Pest control costs within the communal area both in internal and external areas.
Refuse Collection	Removal of waste and fly tipped items from internal and external communal areas.

Repairs - Type 1 (all Pay)	Repairs to any communal areas that all residents pay towards such as Door Entry, lighting and lift repairs
Repairs - Type 2 (homeowners only)	Repairs to any communal areas that only Homeowners pay towards via their service charge as the tenant's portion is paid from their rental charge, such as roof repairs.
Scheme Staff	Scheme Staff that complete Service Charge activities.
(Surplus)/Deficit Adjustment	If there is an adjustment on your previous Service Charge Statement then this will show here. If you are a Leaseholder the adjustment has already been applied to your account so will not show.
Tree and Tree planting	Costs relating to any tree works within the communal grounds.
TV Licences	The cost of the TV licence in a communal lounge.
TV Aerial	Costs relating to the servicing of the communal aerial.
Window Cleaning	Costs of cleaning any communal windows.

INELIGIBLE COSTS

Insurance (Homeowner only)	The cost of insuring your flat or Shared Ownership property (this does not include contents insurance)
Personal Utilities	If there is only one communal supply for any of the utilities to where you live, these will be recharged through the service charge. If you have your own meter these will be charged to you directly by your supplier.
Sewage Plant, Biodisc & Septic	These are the costs you would pay the water board if you were connected to the main sewage system, including any repairs.

Summary of tenants' rights and obligations

The following states your summary of rights and obligations which Havebury must send out with each demand for payment and is prescribed by law, if you would like any further explanation please contact us.

1. This summary, which briefly sets out your rights and obligations in relation to variable service charges, must by law accompany a demand for service charges. Unless a summary is sent to you with a demand, you may withhold the service charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.
2. Your lease sets out your obligations to pay service charges to your landlord in addition to your rent. Service charges are amounts payable for services, repairs, maintenance, improvements, insurance or the landlord's costs of management, to the extent that the costs have been reasonably incurred.
3. You have the right to ask the First-tier Tribunal to determine whether you are liable to pay service charges for services, repairs, maintenance, improvements, insurance or management. You may make a request before or after you have paid the service charge. If the tribunal determines that the service charge is payable, the tribunal may also determine-
 - who should pay the service charge and who it should be paid to;
 - the amount;
 - the date it should be paid by; and
 - how it should be paid.

However, you do not have these rights where-

- a matter has been agreed or admitted by you;
- a matter has already been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the service charge or costs arose; or
- a matter has been decided by a court.

4. If your lease allows your landlord to recover costs incurred or that may be incurred in legal proceedings as service charges, you may ask the court or tribunal, before which those proceedings were brought, to rule that your landlord may not do so.
5. Where you seek a determination from the First-tier Tribunal, you will have to pay an application fee and, where the matter proceeds to an oral hearing, a hearing fee, unless you qualify for fee remission or exemption.. Making such an application may incur additional costs, such as professional fees, which you may have to pay.
6. The First-tier Tribunal and the Upper Tribunal (in determining an appeal against a decision of the First-tier Tribunal) have the power to award costs in accordance with Section 29 of the Tribunals, Courts and Enforcement Act 2007.
7. If your landlord -
 - proposes works on a building or any other premises that will cost you or any other tenant more than £250, or
 - proposes to enter into an agreement for works or services which will last for more than 12 months and will cost you or any other tenant more than £100 in any 12 month accounting period.
 - Your contribution will be limited to these amounts unless your landlord has properly consulted on the proposed works or agreement or the First-tier Tribunal has agreed that consultation is not required.
8. You have the right to apply to the First-tier Tribunal to ask it to determine whether your lease should be varied on the grounds that it does not make satisfactory provision in respect of the calculation of a service charge payable under the lease.

9. You have the right to write to your landlord to request a written summary of the costs which make up the service charges. The summary must-
 - cover the last 12 month period used for making up the accounts relating to the service charge ending no later than the date of your request, where the accounts are made up for 12 month periods; or
 - cover the 12 month period ending with the date of your request, where the accounts are not made up for 12 month periods.
 - The summary must be given to you within 1 month of your request or 6 months of the end of the period to which the summary relates whichever is the later.
10. You have the right, within 6 months of receiving a written summary of costs, to require the landlord to provide you with reasonable facilities to inspect the accounts, receipts and other documents supporting the summary and for taking copies or extracts from them.
11. You have the right to ask an accountant or surveyor to carry out an audit of the financial management of the premises containing your dwelling, to establish the obligations of your landlord and the extent to which the service charges you pay are being used efficiently. It will depend on your circumstances whether you can exercise this right alone or only with the support of others living in the premises. You are strongly advised to seek independent advice before exercising this right.
12. Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.

How can I Pay?

Housing Benefit

If you receive full or partial housing benefit you will be notified by them of your new entitlement shortly after you receive your estimate in March. We will inform them of your new rent and eligible service charges on your behalf. Ineligible service charges are not payable by housing benefit.

Card

You can pay online at
www.havebury.com

You will need your swipe card number also known as rent account number, or you can call us on the numbers on the back of this booklet.

Cash or Cheque

Using your Swipe Card (Rent Card) you can pay at a Payzone or Post Office.

You can also post a Cheque payable to Havebury Housing Partnership to us at **Havebury Housing Partnership, Havebury House, Western Way, Bury St Edmunds, IP33 3SP**

Direct Debit

Direct Debit is available monthly on either 6th, 13th, 20th or 27th of the month.

Weekly direct debits are available to tenants on request.

To set up a direct debit please call us with your bank details on the numbers on the back of this booklet

Standing Order

Standing orders can be setup directly with your bank with the following information:

Sort Code 20-00-00

Account 13804097

Reference your Swipe Number

You will need to amend your standing order with each new estimate.

What if I have a query with my Service Charge?

Regarding payment	<p>All residents should ring the Income Team</p> <p>Except Leaseholders or Freeholders please call</p>	<p>incometeam@havebury.com Income Team 0300 3300 900</p> <p>Helen Meredith 01284 722178</p>
Regarding delivery of service, such as a repair or Ground Maintenance works not being done	<p>To report a repair</p> <p>To report a Neighbourhood issue</p>	<p>Repairs Team 0300 3300 900</p> <p>Neighbourhoods 0300 3300 900</p>
Regarding the Statement and the calculations	<p>Service Charge Team</p>	<p>servicecharges@havebury.com</p> <p>Terri Hammond 01284 722180</p> <p>Lisa Doyle 01284 722172</p>
Compliments or Complaints	<p>Performance Team</p>	<p>complaints@havebury.com Performance Team 0300 3300 900</p>