



**Elim Housing**

Providing homes, supporting people.

# Understanding Service Charges

You receive information about your annual service charge every year. We know this can be difficult to understand so we've produced this information to help.

## **What is a service charge?**

A service charge is a payment made by a tenant or a homeowner towards the cost of services and repairs beyond those specifically for their house or flat. For example, if the resident lives in a block of flats with a communal garden, the cost of maintaining that garden is covered by a service charge because it is available to all residents as a communal service and it is outside of their flats.

## **Examples of service charges:**

- Employing a caretaker
- Cleaning communal areas, including cleaning windows and removing dumped rubbish
- Cutting communal grassed areas, looking after planted areas and tree cutting
- Repairs to communal facilities such as door entry systems, television aerials and lighting
- Providing and repairing lifts, including the cost of maintenance contracts and lift insurance
- Providing fire fighting equipment, including repairing and testing emergency lighting and smoke alarms
- Providing water, electricity and gas supplies to communal areas
- Insurance for blocks of flats and houses (usually homeowners)

## **What is a fixed service charge?**

A fixed service charge is where we estimate the cost of providing services to a property at the beginning of each financial year. You then pay the service charge throughout the year. There won't be additional amounts to pay or any refunds due. Most residents with assured, fixed term and assured shorthold tenancies pay a fixed service charge under the terms of their tenancy agreement.

## **What is a variable service charge?**

Variable service charges occur when we set an estimated charge at the beginning of the financial year and then produce a final account once the year is complete. The final account compares our actual costs in delivering services to a property against the estimate that we set. This may result in an additional amount due or credit back which will be added or deducted from the following years estimated service charge. All leaseholders and shared owners pay a variable service charge.

## **Is the service charge separate from my rent?**

Yes, tenants pay their service charge in addition to their rent. The cost of responsive repairs to their own home and buildings insurance for the whole scheme are not included in their service charge but are included in the rental charge.

## **What should I do if I am not satisfied with the level of service provided by a contractor?**

This should be reported to your Housing Officer at the time the service is provided, so we can work with you and the contractor to resolve the issue.

### Ways to pay:

- Direct Debit
- Debit or Credit card over the phone (during office hours)
- Cash or Debit card at a Paypoint outlet

## Understanding your service charge

1 SERVICE CHARGE - 33 Alfred Street		2017/18			
2 SERVICE ITEM	ANNUAL CHARGE	PER UNIT PER WEEK	Unit (change or necessary)	notes	
Tenants internet cost	4 -		2		
Lift Repairs and Servicing	-		2		
Payphone	-		2		
Pest control	-		2		
Refuse disposal	-		2		
Security costs	-		2		
Staff costs in providing eligible services	-		2		
Statutory safety testing	-		2		
Warden call servicing	-		2		
Water rates (communal)	-		2		
* Water rates (personal)	-		2		
Communal Window Cleaning	-		2		
<b>SUB-TOTAL</b>	<b>3</b>	-			
<b>Provision of service equipment</b>					
Provision of service equipment for building elements and s (*includes plant, CCTV and door entry, fire fighting & detection equipment, & fire alarm, furniture cookers and fridges & laundry equipment where applicable)	-		2		
Insurance (*includes employers liability & third party)	-		2		
<b>Total charges before Admin charges</b>	<b>6</b>	-			
Admin @ 15%		-			
<b>TOTAL</b>		-			
<b>CHARGE PER UNIT PER WEEK</b>		<b>5</b>	-		
<b>All eligible for housing benefit except those marked with *</b>		<b>7</b>	-		
<b>Non-eligible for housing benefit</b>		-			

1 This tells you the estate or scheme the service charge relates to and the year it is for.

2 These are the services and repairs provided to your estate or scheme. Not all estates or schemes receive the same services.

3 This is your contribution towards the yearly cost of service or repairs to your estate or scheme. This is per week or month - depending on how often you are charged.

4 These are the costs for the year for each of the services or repairs provided to your estate or scheme.

5 This is the total amount you pay per week or month - depending on how often you are charged.

6 These are the administrative and accounting costs of providing services and repairs.

7 Not all charges will be covered by Housing Benefit. This section tells you how much of the total charge can be claimed for and which you will have to pay in full yourself.