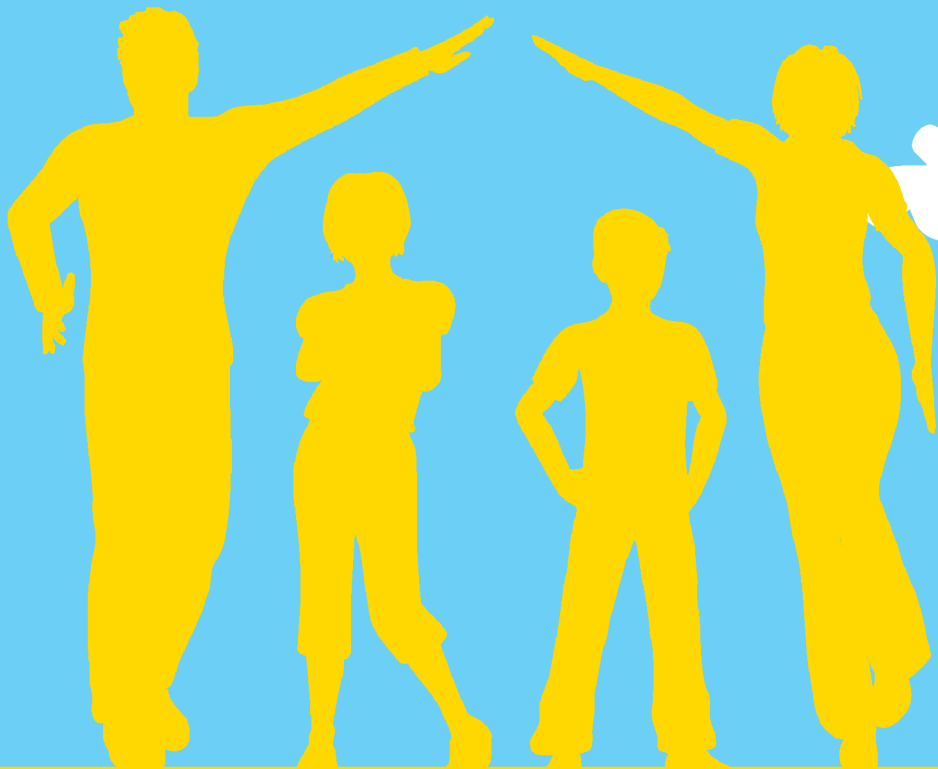


# Your Service Charge Account Explained



 *Westcountry*








can



help



you

If you or someone you know would like  
*Your Service Charge Account Explained* leaflet on CD   
or audio tape , in large print , in Braille ,  
or translated into another language  please  
contact our Communications Team on  
01803 217560 or email [info@westwardhousing.org.uk](mailto:info@westwardhousing.org.uk)

Si vous, ou quelqu'un que vous connaissez, désirez obtenir le dépliant  
« Explication de votre compte de frais de charge » (« *Your service charge  
account explained* ») en version CD ou cassette audio, en gros caractères, en  
braille ou traduit dans une autre langue, veuillez contacter notre équipe  
Communications au 01803217560 ou par mail à [info@westwardhousing.org.uk](mailto:info@westwardhousing.org.uk)

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Equipa de Comunicações (Communications Team) através do número 01803  
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如果您或您的朋友，需要將「詳細帳單」以大字體、盲文或其他語言印刷在 CD 或數  
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[info@westwardhousing.org.uk](mailto:info@westwardhousing.org.uk) 與我們的通訊團隊聯絡

# What is a service charge?

A service charge is a payment made by a resident towards the costs of providing and maintaining services such as repairs, maintenance, improvements, insurance and costs of management.

The amount can vary according to the costs incurred or to be incurred in running the scheme. Residents individual charges will vary according to the services they receive; for example, where there is a lift in a block of flats, residents benefiting from that service would be expected to pay costs incurred.

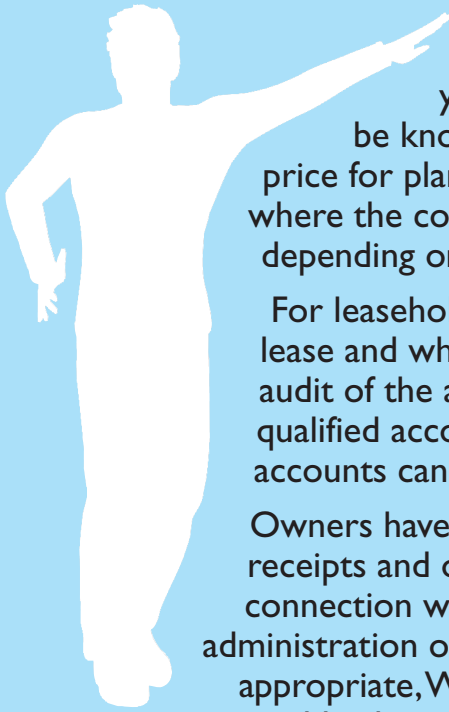
This leaflet describes some examples of what we include in your service charge. If you would like to know more, please ask your Neighbourhoods Co-ordinator who will be pleased to assist.



## Publication of service charge accounts, and setting the service charge budget

Wherever possible, Westcountry Housing will hold a residents meeting to consult on and agree budgets for service charges for the following twelve months. We will aim to give at least two weeks notice of the meeting and send you the proposed budget one week before the meeting.

Accounts for the preceding year, and the budget for the following year, are drawn up by the end of May each year. The accounting year runs from 1st April to 31st March and the charging year runs from 1st July to 30th June. Any surpluses or deficits are carried forward, and taken into account in the service charge which is set for the following year. Any significant deficit will be recovered over a two year period.



Generally, service charges are designed to cover costs for the year in question. These costs may be known; e.g. where we have a fixed price for planned work; or estimated, e.g. where the cost of fuel and power may vary depending on consumption.

For leaseholders, in accordance with their lease and where legislation requires, an annual audit of the accounts will be carried out by a qualified accountant. Copies of audited accounts can be made available on request.

Owners have the right to inspect accounts, receipts and other supporting evidence in connection with the collection and administration of service charge accounts. Where appropriate, Westcountry Housing may make a reasonable charge for this service.

## **Services charges include:**

### **Sheltered communal lounge expenses**

Cost of items purchased for the residents' communal lounge facilities.

### **Fire alarm maintenance**

The cost of servicing and repairing any fire alarm system on a scheme and also the repair, replacement and servicing of any fire extinguishers present on a site.

### **Sheltered scheme guest room income/expenditure**

Represents costs incurred in providing the guest room e.g. cleaning of bed linen etc. All income received from visitors using this facility is credited to the service charge account.

## **Insurance**

This cost represents buildings insurance of all the buildings within the scheme. i.e. communal property and leaseholders individual homes. Residents are advised, however, to take out contents insurance for their home.

## **Communal laundry expenses**

These represent all costs relating to the maintenance and repair of communal laundry equipment. It may also include council water rates if applicable.

## **Maintenance and repairs**

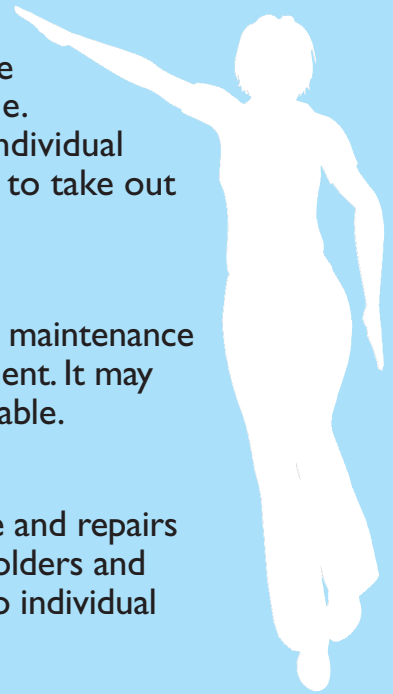
This covers the cost of any maintenance and repairs carried out on your scheme. For leaseholders and owners this may include some repairs to individual property.

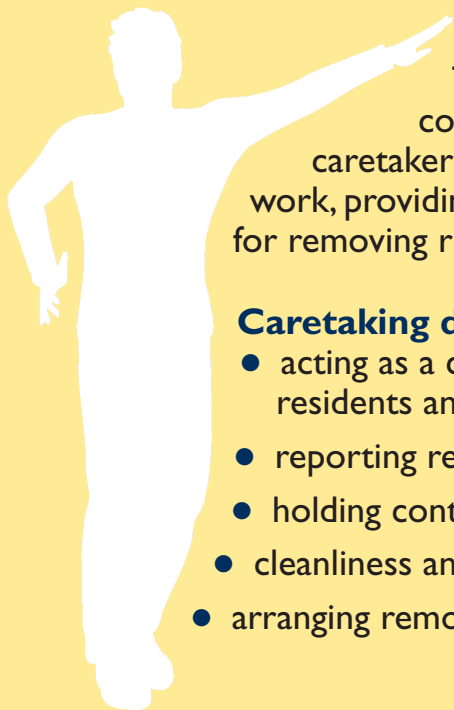
## **Cyclical maintenance**

For leaseholders and owners only. This indicates monies set aside each year for major works such as external painting, window replacements, and roofs. The monies collected for the year will be transferred into the reserve fund (See 'reserves' below).

## **Leaseholders and owners reserves**

Some leases allow for Westcountry Housing to collect money in advance to create a reserve which will pay for expensive items or work. The cost may be spread over a number of years, this is to prevent large fluctuations and undue hardship to residents. Monies collected for reserves will be held in a separate interest bearing account. Westcountry Housing will advise residents of the name, address, account number and name, of where monies are held for this purpose. Interest from monies held in separate accounts will be shown in the annual service charge account. Residents may, on request, inspect the account which relates to their lease or transfer document. Where appropriate Westcountry Housing may make a reasonable charge for this service.





## Caretaking

The charges under this heading cover the costs of employing a caretaker or contractor to do caretaking work, providing skips, and occasional charges for removing rubbish from a site.

### **Caretaking duties may include:**

- acting as a contact point between the residents and Westcountry Housing
- reporting repairs in communal areas
- holding contact phone numbers for office staff
- cleanliness and safety of communal areas
- arranging removal of bulky items.

A caretaker is not responsible for supervising residents.

## Service contractors

Westcountry Housing may employ contractors for work on communal areas.

### **Typical duties are:**

- cleaning communal areas
- grounds maintenance

## Electricity and lighting

This is the cost of providing lighting and/or heating and power to communal areas. It might also include the cost of power to a laundry facility or lift, as well as light bulbs, tubes and the cost of setting timeclocks.

## Service assets

Service assets are items that are provided for residents' benefit that are not a fixed part of the building. Examples include washing machines and communal furniture.

## Depreciation of service assets

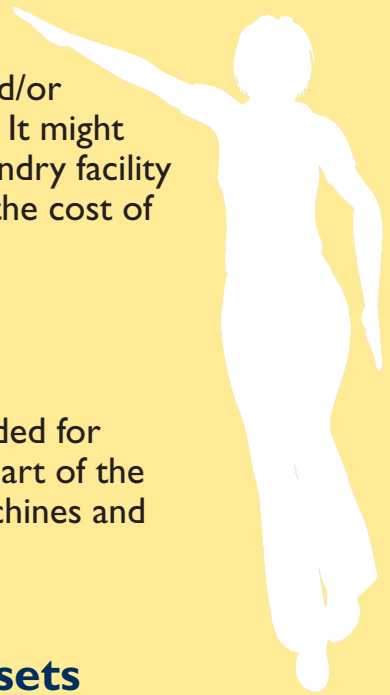
Some service assets, such as washing machines, are expensive to purchase and replace. Because they will last for several years, we split their cost to you into equal installments over five years. This helps to avoid big increases in your service charge in a year when we have to buy or replace an expensive item.

## Provisions

We may set aside some money each year for the replacement of significant service assets such as lifts and carpets.

## Lifts

Where a lift is provided, the service charge covers the cost of running, maintaining and insuring the lift. It also includes an amount towards the future cost of its replacement.



## Support Charges

Support Charges will be shown for information purposes on service charge statements for “sheltered” properties.

### Support charges include:

- Scheme Managers employment costs including training, accommodation (where applicable) and supervision
- the Central Control (alarm monitoring) service
- a contribution towards telephone expenses
- emergency call and intercom system including the maintenance of the equipment.

Support charges are not eligible for Housing Benefit but may be met by the Supporting People team of your local authority.

## Management fee

A management fee is charged to cover our costs in administering and managing activities related to service charges, such as arranging contracts, attending meetings, collecting charges and preparing accounts.

## **In addition, for leaseholders:**

- Management of leases and transfers and responding to enquiries
- Legal costs dealing with complex enquiries and issues
- Providing a repairs service
- Administering buildings and other insurances
- Membership of associated housing bodies
- Compliance with legislation and Tenant Services Authority regulations.



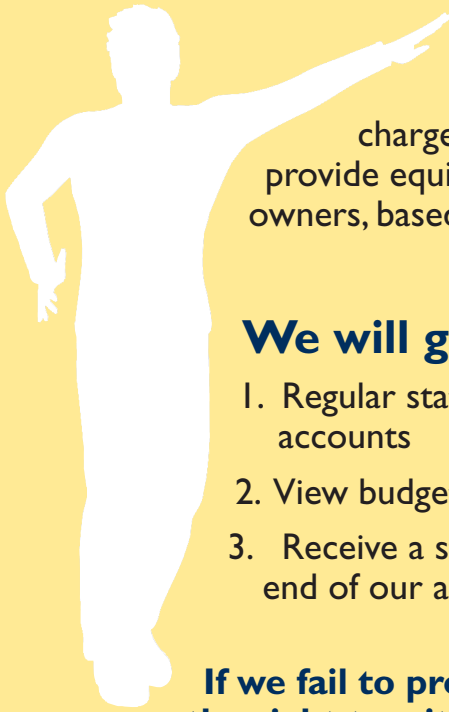
## **Service charges: your legal rights**

### **For those renting**

As part of your legal right to information about how we spend your service charge, we send you a financial account each year.

We will also show you, on request, relevant invoices for the charges. Where appropriate Westcountry Housing may make a reasonable charge for this service.





## **For leaseholders and owners**

Leaseholders have the following legal rights in relation to service charges. Westcountry Housing will provide equivalent services to freehold owners, based upon these rights.

### **We will guarantee your right to:**

1. Regular statements of service charge accounts
2. View budget statement for forthcoming year
3. Receive a statement within 6 months of the end of our accounting period

**If we fail to provide you with these, you have the right to withhold payment until we have**

**done so.**

4. You have the right to inspect documents relating to service charges
5. You have the right to carry out an independent management audit

### **The costs of such an audit must be met by residents:**

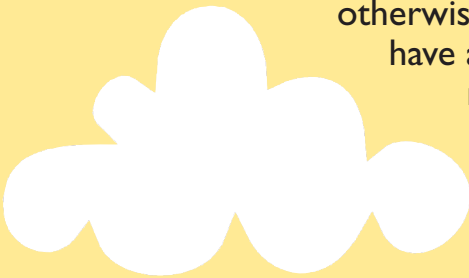
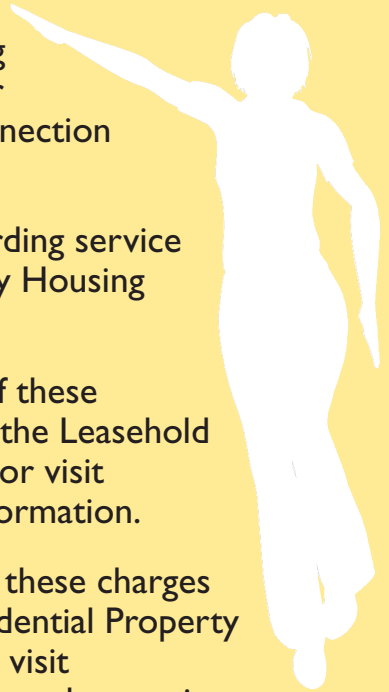
6. Right to appoint a surveyor
7. Right to challenge whether the cost and quality are reasonable
8. Right to challenge the reasonableness of administration charges

Administration charges include, any charges made by Westcountry Housing to provide information relating to your lease, or charges payable by you in connection with the sale of your lease.

If you have any concern or query regarding service or administration charges, Westcountry Housing will be happy to assist.

Any leaseholder who thinks that any of these charges are unreasonable can apply to the Leasehold Valuation Tribunal on **020 7374 5380** or visit **[www.lease-advice.org](http://www.lease-advice.org)** for more information.

Anyone renting who thinks that any of these charges are unreasonable can refer to the Residential Property Tribunal Service on **0845 6003 178** or visit **[www.rpts.gov.uk](http://www.rpts.gov.uk)** You must do this before the starting date of the proposed new rent. You must remember to notify Westcountry Housing that you are doing so; otherwise we may assume that you have agreed to pay the proposed new rent.





# Westcountry



**contact**

Hatfield House, Hatfield Road, Torquay TQ1 3HF

Neighbourhoods: 0300 100 1015

Repairs: 0300 100 1010

Money Advice Team: 0300 100 1012

Email: [info@westcountryha.org.uk](mailto:info@westcountryha.org.uk)



[www.westcountryha.org.uk](http://www.westcountryha.org.uk)



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