FACTSHEFT

A GUIDE TO SERVICE CHARGES



ASTER GROUP

A service charge is a payment made by a leaseholder or tenant towards the costs of providing services such as repairs, maintenance, insurance and management costs.

Your charges will vary according to the services you receive. Our leaseholders pay a variable service charge which means that each year we will give you an estimate of what we think the cost will be for providing these services. At the end of the year we work out the actual costs and send you a statement showing how this compares to the previous estimate. If the amount is higher than the estimate we will either carry this forward so that it is paid with future charges or ask you to pay the difference at the time. This will depend on your lease. If it is lower we will carry this forward and take off the charge for the following year or refund you depending on the terms of your lease.

Generally, we will charge you for each financial year from 1st April but this will be confirmed in your lease. We will let you know the estimated charge for the year ahead at least one month before the charge changes and will send you a statement six months after the end of each financial year, letting you know how much we have spent on services provided to you.

In some cases a management company may provide services. Where this happens we generally pay their invoice and then pass this cost on to you. This might be called 'Third Party Service Charge Managing Agent Fee' or 'estate management cost'. Your lease will give you more information about any management companies who are involved in providing services where you live.

If you think you are paying an unreasonable amount for your service charge you have the right to challenge this. In the first instance please speak to you home ownership officer to discuss your concerns.

You can ask us for copies of accounts, receipts and other supporting evidence which relate to the collection and administration of the service charge account for your home. We may make a reasonable charge for this service.

If a leaseholder is going to be charged more than £100 per year for an individual service contract such as grounds maintenance, we will carry out a Section 20 consultation with all affected leaseholders. This is a legal requirement. For more information on Section 20 click here

Below are some examples of what we include in your service charge. If you would like to know more, please contact the service charge team on 0333 400 8231 or email servicecharges@aster.co.uk.

YOUR SERVICE CHARGES COULD INCLUDE:

BUILDINGS INSURANCE

• Under the terms of your lease we are generally responsible for insuring the building. If you would like a copy of the summary of cover or need to make a claim then contact your home ownership officer.

See FACTSHEET 3. INSURANCE

CYCLICAL MAINTENANCE AND MAJOR WORKS

Work scheduled on a rolling programme, such as painting the outside of a building and re-roofing. We will consult with you before any work of this type is undertaken.

See FACTSHEET 5. MAJOR WORKS AND SECTION 20 - CONSULTATION

ELECTRICAL MAINTENANCE

- Maintenance of electrical light fittings in internal and external shared areas. Any work needed will be done and paid for as a repair
- Testing of appliances that are plugged into the sockets in shared areas. These tests are required by law once a year.

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YOUR SERVICE CHARGES COULD INCLUDE:

FQUIPMENT MAINTENANCE

- Servicing and repair of any CCTV system. This can also cover any repairs carried out during the year
- Repair and maintenance of door entry systems
- Repair, replacement and servicing of communal fire extinguishers
- Annual servicing, regular testing and maintenance of communal fire alarm systems to ensure compliance with regulations. This can also incorporate dry risers, automatic opening vents and emergency lights
- Servicing and repair of car park areas with security gates
- Monitoring of any communal hardwired alarm/call system. This can also cover any lifelines or alarm support.

GENERAL CLEANING

- Cleaning of internal communal areas. This may be provided by our in-house teams or an external company
- Depending on the contract in place this may include cleaning communal windows
- There may be a reactive charge for litter picking in shared areas such as bin stores or car parks, investigating / removing minor refuse, and carrying out minor repair works. This is an estate charge, and therefore is applicable to houses as well as flats
- Gutters unblocked and cleaned and leaves removed from roof gullies to help drainage
- Cleaning materials
- Provision of an external company to deal with any pest problems in communal areas.

GROUNDS MAINTENANCE

- Cutting grass and looking after other garden / estate shared areas maintained by us or an external company. This can also include any hard standing areas such as car parks or garage areas. Charges may relate to the wider estate not just the area immediately surrounding your property. This charge can be applicable for both houses /bungalows and flats
- Grounds maintenance outside the regular contract
- Tree maintenance work.

MANAGEMENT COSTS

Preparation and sending out your service charges. It also includes the work involved in collecting information to show your itemised charges.

RFPAIRS

Repairs to the structure of your building, the shared areas in and around your flat, or any private roads.

SERVICE CONTRACTS

- Annual servicing and minor repairs of equipment supplied to communal areas
- Engineer attendance within 24 hours of a problem in a lift being reported. This also covers servicing carried out during the year
- Servicing and repair of any specialist equipment within your estate. More information on these can be supplied on request
- Servicing and repairing communal aerial systems
- Servicing and repair of any playground equipment on the estate.

YOUR SERVICE CHARGES COULD INCLUDE:

SEWERAGE/ENVIRONMENTAL CHARGE

• Dealing with waste water if your property isn't linked to the public sewer system.

SINKING FUND

 Payment into a sinking fund. Your lease will explain whether or not you need to pay into a sinking fund and what it can be used for. Generally this is used to collect money that can be used for planned works over the coming years. We will aim to maintain the sinking fund at a level that will meet the cost of the works however if the level in the fund is not sufficient to cover the cost leaseholders will be charged the difference.

UTILITIES

 Heating and electricity in communal areas. Normally in stairwells and entrance ways in flats, but can also include external lighting such as in car parks, certain bin stores or street lighting. This charge isn't just applicable for flats and can be passed onto houses and bungalows too.



WATER

- Standing charges and amount of water used for any communal supply. This can also serve bike stores or bin stores and isn't just applicable for blocks of flats
- Testing the water supply for Legionnaire's disease. This is a legal requirement and keeps communal water supplies safe.

This is not an exhaustive list and you may have other charges. If you have any queries about the services you are receiving you can contact your home ownership officer or the service charge team on 0333 400 8231 or email servicecharges@aster.co.uk for more information.