

A guide to service charges

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

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

Below are some examples of what may be included in your service charge and a description of each service. If you would like to know more, please contact the Service Charge Team on 0333 400 8231 or email servicecharges@aster.co.uk.

All customers have the right to inspect accounts, receipts and other supporting evidence relating to the collection and administration of service charge accounts. Where appropriate, we may make a reasonable charge for this service.

Your service charges could include:

Fuel

This covers the cost of providing heating in communal areas of some of our buildings, especially our supported housing customers.

Landlord's electricity

This covers the cost of providing electricity in communal areas. This is normally in stairwell and entrance ways in flats, but can also include external lighting in car parks, certain bin stores or street lighting.

Sewerage/environmental charge

This charge covers the cost of dealing with waste water if your property isn't linked to the public sewer system.

Telephone

The cost of providing emergency telephones lines within communal lifts, on-site care office and communal telephone lines. This can also cover the phone line for any CCTV equipment.

Landlord's water

This is to cover the cost of water in communal areas. It includes standing charges and how much water is used. This can also serve bike stores or bin stores and isn't just applicable for blocks of flats. This can also be referred to as "Water – Utilities".

Water safety testing

This is the cost of testing the water supply for Legionnaire's disease. This is a legal requirement and keeps communal water supplies safe.

On-site salary costs

This is the cost of providing staff to directly work on your estate from full-time carers to cleaners. This can also be referred to as "Housing Management Charges" or "Housing Services".

Staff costs

A proportion of staff costs may include:

- Salary
- Salary or relief cover during leave
- Training or sickness absence
- Employer's National Insurance and pension contributions
- Life, health and accident insurance
- Accommodation costs if paid for by employer.

Communal cleaning

Estate cleaning (internal)

This is to cover the cost of the cleaning service we provide to internal communal areas. This may be provided by our in-house teams or an external company.

Contract windows

Depending on the contract in place, we arrange for an external contractor to clean communal or individual windows.

Estate cleaning (external)

This is a reactive charge and covers work carried out on estates including litter picking in shared areas such as bin stores or car parks, investigating / removing minor refuse, and carrying out minor repair works.

Gutters and gullies

We arrange for gutters to be unblocked and cleaned and have leaves removed from roof gullies to help drainage.

Cleaning materials

This payment covers the cost of cleaning materials brought to allow staff to maintain the shared areas.

Pest control

This charge pays for an external company to deal with any pest problems found on the estate.

Grounds maintenance

Grounds maintenance

This covers the cost of cutting grass and looking after other garden/estate shared areas maintained by us or an external company. This also may not be the grounds directly surrounding your property.

Specialist grounds maintenance

This charge covers the cost of grounds maintenance outside the regular contract, such as maintaining badger runs in rural areas.

Tree works

This is a reactive charge designed to cover any tree maintenance work we need to carry out. These charges are set up in the same way as our grounds maintenance – just because you cannot see a tree directly outside your property, you will still need to contribute towards this charge.

Electrical maintenance

Communal lighting / emergency lighting

This charge pays for the electrical light fittings in shared areas to be checked to make sure they are safe and working properly. Any work needed will be done and paid for as a repair.

Electrical testing

This covers the cost of testing appliances that are plugged into the sockets in shared areas. This includes lamps, TVs and washing machines. These tests are required by law once a year.

External lighting

The charge pays for electrical light fittings in external shared areas to be checked to make sure they are safe and working properly. Any work required will need to be paid for as a repair.

Equipment maintenance

CCTV

This covers the servicing, repair and telephone line (if available offsite) of the communal areas monitored by a CCTV system. This can also cover any repairs carried out during the year.

Door entry

This covers a contract for all door entry systems. An engineer will attend within 24 hours of them being reported, including at weekends. Any faults out of office hours can be reported using the normal repairs line. The contract covers callouts and repairs.

Firefighting equipment

For areas that have communal fire extinguishers, this covers the cost of repair, replacement and servicing of equipment. In some cases this can appear within the fire/smoke alarm maintenance service (see below).

Fire/smoke alarm maintenance

For properties that have a communal connected fire alarm system, this covers the cost of annual servicing, weekly testing as required by law, and maintenance of the system. This can also incorporate dry risers, automatic operating ventilation systems and emergency lights.

Gates/barrier maintenance

For car park areas with security gates, this covers the servicing and repair costs to maintain access.

Hardwired alarm/call system

This charge covers the monitoring of the communal system. This can also cover any lifelines or alarm support.

Laundry/white goods

This covers the costs of annual servicing and minor repairs of equipment supplied to communal areas or to certain individual homes.

Lift

This maintenance contract ensures an engineer will attend within 24 hours of a problem being reported. In an emergency, you should call 999. This also covers servicing carried out during the year.

Other equipment maintenance

This covers all the other maintenance contracts for specialist equipment within your estate. More information on these can be supplied on request.

TV aerials/satellite

This covers the cost of servicing and repairing communal aerial systems.

Playground upkeep

This covers servicing and repair of playground equipment on the estate. Reactive work may cover any litter picking required during the year.

Scheme income

Income

Certain shared housing schemes have communal rooms that can be hired for meetings or bedrooms that can be rented to family members.

Leasehold specific charges

General repairs

These are repairs to the structure of your flat, the shared areas in and around your flat, or any private roads carried out over the year. If you are a leaseholder and you would like a list of repairs that have been done to your building, please contact your home ownership officer.

Accountancy/audit fees

These are the costs of providing professional financial services to adhere to service charge legislation and produce annual financial accounts where necessary.

Estate managing fees

Third-party service charge

For some of our buildings, service charges for the area and/or block are provided and managed by another company. We have to pass this charge on to our customers. This can also be referred to as "Managing Agent Fees".

Capital assets

Decorating

This charge covers the cost of maintaining and renewing decoration of communal areas in some of our housing schemes.

Furniture and fittings

This charge covers the cost of maintaining and renewing furniture and fittings to communal areas in some of our housing schemes.

Renewal of equipment

The equipment that services your property, and depending on what is in your block/estate, determines what is shown under this heading. This service works to reduce large one-off sums being requested from customers.

Rented units – renewal of equipment

This is when we will purchase the block/estate equipment initially and then recover the cost over a certain period of time from customers, known as depreciation.

Leasehold – sinking funds

This is when we ask customers to build up an amount in advance of renewal being required. It is often stipulated in the lease of your property these charges are to be collected to capture annual 'wear and tear' rather than requesting one-off amounts from the owner at that time.

Cyclical leasehold costs

Cyclical maintenance / external redecorations

This charge is for 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.

Central management costs

Management fees

This is how much it costs us to prepare and send out your service charges. It also includes the work involved in collecting information to show your itemised charges.

Buildings insurance

We insure the structure of your building with Zurich Municipal. Please ask your home ownership co-ordinator if you would like a copy of the things it covers.

Ground rent

Ground rent is rent paid under the terms of a lease by the owner of a building to the owner of the land on which it is built.

Ends