

Service charges

2020



Service charges

If you are an SCH leaseholder, you will have to pay ground rent and service charges for your property. This leaflet explains the service charges you will have to pay and how they are worked out. If you have specific questions about your account, please contact us.

What are service charges?

It costs us money to repair and maintain your property or building, to manage it and provide any other services. Service charges are your share of these costs.

If you live in a leasehold property, your lease says that you must pay service charges.

The amount we charge depends on where your property is and what services we provide. If a neighbour's service charge is different from yours, this may be because they need more repairs or they get different services (such as a higher buildings insurance premium).

Do you (the leaseholder) contribute to the tenants' share of the costs through your service charge?

We pay the tenants' share of the costs for repairing, maintaining and managing properties and buildings. The tenants then pay us back through their rent and service charges. Leaseholders don't put any money towards tenants' service charges.

When do I pay my service charges?

• We estimate your service charge for the year ahead.

Every March we send you a statement containing an estimate of your service charge for the year ahead. This is called an 'estimated service charge statement'.

 We send you four invoices and four account statements a year. We send you an invoice in April, July, October and January for the coming three months. The amount you are told to pay on the invoice is based on the estimate we send you in March. If you are in arrears with your service charge you will receive a separate statement of account each quarter.

• We tell you the actual costs.

Within 18 months of sending you an estimate of your service charge, we will tell you what the actual service charge is.

We work out your share of the amount it has actually cost us to manage your home. You pay this amount. We send you a summary showing what we have charged you for each service you received.

Then we work out the difference between our estimate and the actual charge, and adjust your service charge account in line with this. If the actual costs are lower than our estimate, we will pay the difference into your account. If the costs are higher, we will adjust your account to cover this. You should expect to receive the statement showing the actual cost at the beginning of October each year. The statement will list costs for the previous financial year.



How do we work out your estimated yearly service charges?

Each year we assess how much we expect to spend on providing services to your property. These charges are based on actual costs, inflation and prices from contractors.

We divide up the cost of each service by the number of properties that use or benefit from it. For example, grounds maintenance costs are divided equally among the total number of flats in your block.

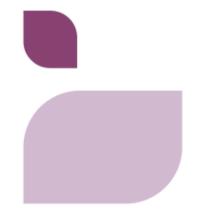
For example, if you live in a building of four flats, your share of the cost will be one quarter, or 25% of the total cost.

So, if the total service charge for a building of four flats costs $\pounds 60$, we will divide this amount by four so each flat will pay $\pounds 15$.

Costs are divided up in different ways for different services.

Some costs are worked out for each individual property, for example your building insurance premium. Other costs are worked out for the whole building then divided by the number of flats to find out the cost for each household, for example cleaning, grounds maintenance and electricity.

Generally, we have worked out your estimate for cleaning, grounds maintenance, CCTV, lift maintenance and shared lighting by taking the yearly contract cost for each building and adding an extra charge each year for inflation and increases in contract prices.



What do my service charges cover?

If you want to know what we charge you for, please look at the service charge estimate we send to you in March every year. The following pages give details of what is normally included in your service charges. You may not be charged for all of these services. You will only be charged for services you receive.

Ground rent

What is it?

A charge for using the land where your property is.

How do we work it out?

This is currently £10 or £20 a year (depending on what your lease says). The amount is set by law and all leaseholders must pay.

Charge for shared lighting

What is it?

Your share of the cost of lighting shared areas both inside and outside your building.

How do we work it out?

The electricity cost for the building is divided equally among the total number of properties.

Charge for lift maintenance

What is it?

Your share of the cost of servicing any lifts in your building, and keeping them in working order.

How do we work it out?

The cost for the building is divided equally among the total number of properties in the building.

Charge for cleaning

What is it?

Your share of the cost of cleaning the shared parts of your building. The costs include staff wages, training, materials, stores and other costs

How do we work it out?

The cost of providing the cleaning service is divided equally among the total number of properties in the building.

What kind of service is provided?

In **low rise buildings** the service covers general cleaning of the shared areas inside the building, including sweeping and mopping floors and stairs, dusting ledges and surfaces, cleaning marks off walls and cleaning inside glass, sweeping the entrance and picking up litter. Each building will be cleaned three times a week.

In **high rise buildings** the service covers general cleaning of the shared areas inside the building, including sweeping, mopping and buffing the floors and stairs, cleaning chute rooms, dusting ledges and surfaces, cleaning lifts, cleaning marks off walls and cleaning inside glass, sweeping the entrance and picking up litter. Three floors will be cleaned every weekday.

In both high rise and low rise buildings

cleaners are encouraged to concentrate on cleaning what is dirty rather than following a strict routine. This is so that they don't spend time cleaning things that don't need it. But the cleaners do work to specific service standards (we can provide a copy of these if you ask).

The jobs the cleaners do may vary, depending on what needs to be done. The cleaners work their shifts any time between 7am and 4pm (not including bank holidays).

Charge for grounds maintenance

What is it?

Your share of the cost of maintaining the grounds surrounding your building. This includes cutting grass, looking after shrubs and picking up litter.

How do we work it out?

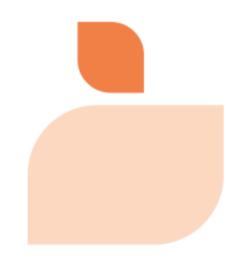
The cost of maintaining the grounds depends on the size of the area of grass surrounding your building. The cost is divided equally among the total number of properties in the building.

What kind of service is provided?

The major part of the work includes:

- picking up litter from grass and shrub areas around buildings every two weeks
- cutting grass around buildings roughly once every two weeks depending on the weather
- pruning shrubs and hedges around blocks once a year between November to February
- spraying weed killer on shared areas, fences around the building and hard surfaces like concrete slabs three times a year

We do not maintain your garden areas if they are privately owned.



Charge for fire protection works

What is it?

Your share of the cost of the annual servicing and repairs to fire protection systems and equipment within high and low rise buildings.

How do we work it out?

The cost for the building is divided equally among the total number of properties in the building.

What kind of service is provided?

The major part of the work includes:

servicing and repairs to fire alarm systems, emergency lighting systems bin rooms fore suppression systems and fireman's switches ("the Services") servicing and repairs to dry risers servicing and maintenance of portable fire extinguishers and fire blankets

Charge for CCTV

What is it?

Your share of the cost of installing, maintaining and running CCTV.

How do we work it out?

The cost of providing CCTV in your building is divided equally among the total number of properties in the building.

What kind of service is provided?

All 38 of our high rises have CCTV. Staff are there 24 hours a day, 365 days a year.

They can see both the inside and outside of buildings and are able to talk to people in and around the buildings because the system is fitted with speakers. This means they can warn people who they spot fly-tipping (illegally dumping rubbish) or acting suspiciously and report any incidents to someone who can deal with them. The service aims to reduce litter and stop people from causing a nuisance. Every flat has a video handset, so residents can see who is pressing the intercom and decide whether to let the person in or transfer the call to the Concierge service (staff in the monitoring centre) for them to deal with.

Every resident is given a unique fob. This is an electronic key which contains your details and you use it to get into your building. We give you these fobs to stop people who aren't residents from entering the buildings.

Buildings insurance

What is it?

It is a condition of your lease that Solihull Council arranges buildings insurance for your property. This means you are covered in case there is any damage to the structure of your property. This covers the roof, walls, ceilings, floors, doors and windows and the full cost of rebuilding the property. We can give you a detailed schedule of the insurance if you ask or you can download one from the leaseholder page on our website.

How do we work it out?

Each building has an insurance policy. We divide the cost by the number of residents in the block to work out your share.

What kind of service is provided?

The policy covers the building, but not the contents such as your furniture and other belongings. We strongly recommend that you also take out home contents insurance. We have arranged a home contents insurance scheme with Allianz especially for our leaseholders and tenants. If you would like more information about this, please phone us or visit our website.



Management fee

What is it?

This charge is for us managing leasehold properties. This includes the cost of staff, administration, working out and collecting service charges and answering your questions. The fee also covers the cost of us arranging and inspecting repairs in shared areas.

How do we work it out?

We add up what it costs us to provide services for leaseholders, then divide it between all of our leaseholders.

Does my service charge include the cost of any shared repairs?

We do not estimate the costs of shared repairs – we charge you the actual cost of the repairs. We will send you an invoice every three months after the work has been done.

The date we send your service charge invoice	The period the service charge covers	The period the charge for shared repairs covers
April	1 April to 30 June	1 October to 31 December
July	1 July to 30 September	1 January to 31 March
October	1 October to 31 December	1 April to 30 June
January	1 January to 31 March	1 July to 30 September

Charge for shared repairs

What is it?

Your share of the cost of repairing and keeping shared areas and the building in good condition.

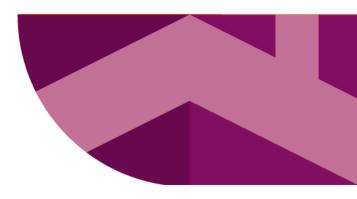
How do we work it out?

The total cost of the repair is divided by the number of properties in the building. A minor shared repair is one that currently costs under $\pounds 250$. We do not have to consult you before we carry out a minor repair.

What if I don't agree with my charges?

We will always try to work out your charges properly and fairly, but if you think we have made a mistake or charged you for something you haven't had, please do the following:

- Tell us straight away we will look at your account again and make sure it is correct.
- If you are still not happy after we have checked your account, please contact us and tell us exactly what charges you don't agree with and why.
- If you still think you are being charged unfairly, you will be able to apply to an independent first-tier tribunal.



First-tier tribunals have been set up under the Housing Act 1996. Either you or we (your landlord) can apply to the tribunal to settle a disagreement about charges. The tribunal will decide:

- if the cost of the services we are charging for is reasonable
- if the work being charged for is of a reasonable standard
- if the amount we are asking for is reasonable

You cannot appeal to a tribunal if:

- a court or tribunal has already made a judgement about your charges
- you have already agreed that the charges are correct.

The tribunal may decide that you must pay all of the charges, or they may decide that we must reduce our charges to you. When the tribunal have made a decision we have to accept it.

The tribunal can charge up to £500 to hear your case. They can choose to charge these costs to us or you. They are more likely to charge you if they don't think you have a valid claim. If you want a first-tier tribunal to consider your service charges, tell us – we will tell you how to go about it.

Remember, if you think your charges are wrong, tell us first – we will try to sort it out.

How can I pay my service charges?

You must pay your service charges within 21 days of when you receive your invoice.

You can choose one of the following ways to pay.

Direct Debit

If you have a current account with a bank or building society you can set up a Direct Debit to pay the service charge each month. Your bank or building society will make the payments out of your account.

If you want to pay your ground rent and service charge by monthly Direct Debit, send your form so that it gets to us by the 25th of the month so that we can receive your payment on the 10th of the next month. If we receive your form after the 25th of the month, you will have to pay the instalment in one of the ways listed below.

PayPoint

You will see the PayPoint logo at many local shops and petrol stations and you can pay your service charges here with cash using your green swipe card.

Post office

You can pay by cash, cheque or debit card at any post office, using your green swipe card. If you pay by cheque at a post office, you should make your cheque out to 'Post Office Ltd'.

Phone

You can pay using your debit or credit card on Solihull Council's automated phone payment system. It is open 24 hours a day, seven days a week. Just call 0300 456 0502 and follow the instructions.

Or you can phone us between 8am and 6pm Monday to Friday. Call 0121 717 1515.

Online

You can make a secure online payment using your debit or credit card by looking under the 'Payments' section on our website.

In person

You can pay by cash, cheque (made out to SMBC), debit or credit card using your green swipe card at a Solihull Connect office.

By post

Send your payment, with your leaseholder reference number and property address to: Endeavour House, Meriden Drive, Kingshurst, Solihull, B37 6BX

Deducted from your wages

If you are employed by us or Solihull Metropolitan Borough Council you can arrange to have the payments taken straight out of your wages.

Please make sure that you give your service charge account number when you make any payments.

Can I change the way I pay?

Yes, please phone us on 0121 717 1515.

I am struggling to pay – what should I do?

If you are having problems paying, or if you fall behind with payments, please phone our Rent Arrears team immediately on 0121 717 1515. It is important that you tell us about any problems which may affect your ability to pay your service charges.

Money Advice team

If you are struggling to pay your service charges, our Money Advice team may be able to help. They can prepare a financial statement so that you can see how much it costs you to live in your property. They can also help you prioritise your debts. This means they will help you to work out affordable ways to pay the money you owe.

They will also check what benefits you are entitled to and help you apply for any you are not claiming. They have been recognised by the Community Legal Services Commission, so you can be sure they will give you fair and independent advice.

Call us to make an appointment with the team.

As a leaseholder you may be able to claim help with costs like service charges, ground rent charges and essential maintenance charges if you qualify for an Income Related Employment Support Allowance (IRESA). If you have a mortgage you need to get form MI12 from the Jobcentre

- The Jobcentre can post one out to you. This form must be completed by your mortgage lender who will send it to the Benefit Processing Centre.

 If you do not have a mortgage to pay (because it may have been already paid off) you need to write a letter to the Benefit Processing Centre to ask for help with leaseholder charges. You will also need to enclose a copy of the breakdown of your charges.

Keeping us up to date

Contact us if the name or address on your invoice is wrong.

Arrange to see us in person

If you would like to discuss your service charges with us in person, please phone us on 0121 717 1515 to make an appointment.



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Solihull Community Housing

Freepost RLSS-UEBA-RTUZ

Solihull Community Housing Endeavour House Meriden Drive Solihull B37 6BX

Phone: 0121 717 1515 Typetalk: 18001 0121 717 1515 Text: 07781 474 722

Email: info@solihullcommunityhousing.org.uk **Website:** www.solihullcommunityhousing.org.uk



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