

Service charges at Stonewater



A guide for
customers who
own their home
Leasehold

Contents

Glossary of terms	3
Introduction	4
What is a service charge and how do they work?	4
Section 21 & 22	4
Service charge cycle	5
How do I pay?	6
Service charge summary explained	7
What do the charges on my statement mean?	8
Service charges FAQs	10
Help and support	12

Glossary of terms

Before we get started, here are definitions for some of the key terms we use in this guide.

Service charges

A service charge is the amount you pay (if applicable) for the delivery of services to your property or on your scheme.

Variable service charges

This means the amount you pay changes every year, depending on how much your services cost. All service charges for leaseholders and shared owners are classed as variable.

Accounting year

Usually a 12 month period, but this may differ depending upon your agreement with us.

Credit

If your service charge letter shows a credit balance bought forward, this means that the amount you have paid towards your service charges for the year is more than the actual amount spent and the credit will be carried forward into the next year.

Debit

If your service charge letter shows a debit balance bought forward, this means that the amount that you have paid towards your service charges for the year is less than the actual amount spent. You are liable for the additional costs under the terms of your agreement.

Reconciliation

This is what the process is called when we compare actual costs incurred against estimated costs.

Scheme

We group some of our properties into schemes, the scheme may have a name that differs from your road name or your personal address as this refers to a wider group of properties and addresses.

Introduction

We want to help you understand services charges at Stonewater so we've put together this handy guide to give you all of the information you need.

This information is for all Stonewater leaseholders to give you a general idea of service charges. It won't cover your specific charges and you'll be sent a summary of these separately.

What is a service charge and how do they work?

A service charge is the amount you pay (if applicable) for the delivery of services to your property or on your scheme. This may include things like cleaning, lighting, secure door entry, grounds maintenance, reserve or sinking funds and the cost of managing these. The amount charged depends on the services provided. For leaseholders and shared owners, the service charge also includes the cost of building insurance. You can find more information on your services charges in your lease or transfer documents.

At the beginning of your accounting year we'll send you a service charge estimate. Your estimate is a calculation of how much we think we're going to spend during the upcoming year based on the services you receive. We calculate the estimates based on known costs, contracts and the previous year's actual costs. The estimate for the year is usually applied to your account in twelve monthly amounts but this may differ depending upon your lease or transfer documents.

As soon as practical, after the accounting period has ended, we review the accounts to understand the difference between what we estimated we would spend and what we actually spent. We use this information to see if there's an underspend - meaning we collected too much money from you, or an overspend - meaning we didn't collect enough money. This is called a reconciliation of account. If there is an underspend a credit will be applied to your account. If there is an overspend, then a debit balance will be applied to your account which may mean you need to increase your monthly payments to cover the cost. We'll spread any debit applied to your account over the remainder of the accounting year and we'll write to you to let you know how much you'll need to pay.

Section 21 & 22

Section 21

Leaseholders have the right to ask for a summary of the service charge account. We do provide this when we undertake a reconciliation of your account, however if you'd like another copy please email us at servicecharges@stonewater.org.

Section 22

Leaseholders have the right to inspect documents relating to the service charge to provide more detail on the summary. You can make this request for a period of 6 months after receiving your summary and we will provide this to you within 1 month of your request. You must send your request to us at servicecharges@stonewater.org.

More information can be found in the tenants rights and obligations which are included on the letters we send to you about your service charges.

Service charge cycle



- 1** We send you your service charge estimate and you pay monthly in advance by direct debit
- 2** We reconcile our accounts and find out if you've over or underpaid for your services for the year
- 3** We apply a credit to your account if you've overpaid, or a debit if you've underpaid.



How do I pay?

Paying your rent and/or service charges is the most important payment you need to make.

We want to make it easy for you to pay in whichever way suits you best and if you're struggling, we are here to help.

Ways to pay

The quickest and easiest way to pay is by logging into MyHome and setting up a secure online payment, wherever and whenever it's most convenient for you. MyHome also gives you access to lots of other services all in one place, such as viewing your account details and reporting repairs.



You can set up a Direct Debit by logging into your MyHome account. If you don't have access to the internet you can phone us on 01202 319 119 to set up your Direct Debit.

We can take card payments over the phone, just call us on **01202 319 119**.

If you're using Allpay, just have your payment reference number to hand. If you don't know what that is, contact us and we can tell you.

Pay online quickly and safely with Allpay via allpayments.net/Allpayments/Signin



By Allpay app – available on Apple or Android devices.

By text (Allpay)– register your details here allpayments.net/TextPay/Login

By phone (Allpay) on 0330 041 6497
This is an automated 24-hour service



Post Office or Paypoint- By payment card at a Post Office or

PayPoint outlet

Worried about paying your rent or service charges?

We want you to know that whatever financial hardship you find yourself in, we are here to help. Our team are here to support you, without judgement, but to do that we need you to talk to us.

If you're struggling and would like to speak to someone, please call us or email customers@stonewater.org

Service charge summary explained

List of services provided to your scheme

How much was actually spent the previous year

Comparison between the estimate and actual

Services provided to **All Properties**

Service Category	Estimate 25/26	Actual 25/26	Variance 25/26	Estimate 26/27
General repairs and maintenance	£1,000.00	£0.00	-£1,000.00	£1,000.00
Common area costs	£0.00	£0.00	£0.00	£0.00
Flytipping	£1,000.00	£150.09	-£849.91	£1,000.00
Health and safety costs	£500.00	£0.00	-£500.00	£500.00
Grounds maintenance	£7,920.00	£8,048.88	£128.88	£7,920.00
Tree works	£1,000.00	£0.00	-£1,000.00	£1,000.00
Planned and cyclical works	£0.00	£43,750.00	£43,750.00	£0.00
Management charge	£14,350.00	£14,350.00	£0.00	£14,350.00
Total Expenditure	£25,770.00	£66,298.97	£40,528.97	£25,770.00

Divided by number of properties on the scheme: 175Number of properties these services apply to

Individual property share	£147.26	£378.85	£231.59	£147.26
---------------------------	----------------	----------------	----------------	----------------

Overcharge/Undercharge from last year **£231.59** The variance from the previous year

Estimate for this year **+£147.26**

Total estimate charge **£378.85**

Estimated share of the total expenditure

Your total for this year

Your share of the total cost broken down for each section

Understanding your service charges

You can find an A-Z of our most common service charge terms below. You may not receive all of the services listed, the services you are charged for are set out on page one of your letter.

Call System Maintenance - Repairing and maintaining the central call system.

***Cleaning Communal Areas** - Cleaning in communal areas. This may include things like dusting, vacuuming and mopping.

***Communal Electric** - Electricity for communal areas.

Common Area Costs - Maintenance of the communal areas, such as Communal Electric testing.

Day to Day Repairs – Block - Repairing and maintaining internal and external communal areas such as stairways.

Day to Day Repairs – Communal - Repairing and maintaining external communal areas such as boundary walls, fences on the wider estate.

***Door Entry Maintenance** - Maintaining and repairing the door entry system.

***Fire Equipment Maintenance** - Maintaining fire equipment such as smoke alarms or emergency lighting.

Ground Rent - Annual ground rent payable as per your lease.

Ground Rent (S/O) - Annual ground rent payable as per your lease to a management company.

***Grounds Maintenance** - Maintaining communal outside spaces owned by Stonewater. This service depends on your scheme but can include maintaining balancing pond or other attenuation systems, litter picking, grass cutting, weed removal, weed spraying, shrub pruning and bedding, hedge trimming, leaf removal, sweeping and moss removal.

Front gardens for individual homes are not usually included.

***Health & Safety** - Health and safety management for your scheme including signage, hand sanitiser stations, asbestos management.

Health & Safety - Fire - Fire Risk Assessments carried out.

Heating – Individual - Heating provided inside your home, where applicable.

Insurance – Buildings - Insurance for shared owners and leaseholders. This covers the building.

***Lift Maintenance** - Repairing and servicing of lifts in communal areas.

Lifts and Adaptation Costs - Maintenance and repairs of Stairlifts and External Platforms.

Major Repair Provision - Contribution towards sinking fund to cover major works carried out in the future.

Management Charge - Our fee for collating the service charge information, calculating the bills and sending the information as well as arranging and monitoring service contracts and repairs.

***Management Company** - Third party management of the scheme.

***Pest Control** - The removal of pests such as mice, rats, wasps or squirrels where they put health and safety of customers at risk in accordance with our Pest Management Policy.

Provisions - These are regular amounts collected as part of the service charge, put into a provision fund. This covers the cost of larger items that need to be replaced from time to time, such as door entry systems and lifts. In addition, homeowners' provisions, often referred to as sinking funds may be collected to cover external redecorations and repairs to the structure of the building.

***Refuse Disposal** - Fly tipping and bulk item removal, which is split between all properties at the scheme unless we are provided with evidence of the person/people responsible for the fly tipping.

Scheme - We group some of our properties into schemes. The scheme may have a name that differs from your road name or your personal address as this refers to a wider group of properties and addresses.

***Scheme Computer & Telephony** - Telephone and Broadband in scheme office and Wi-Fi in the communal area.

***Security System Maintenance** - Cost of maintaining CCTV and other security features such as alarm systems as well as cost of security personnel.

Service Charges - A service charge is the amount you pay (if applicable) for the delivery of services to your property or on your scheme.

Sewage System Maintenance - Maintenance and waste disposal for septic tanks and cesspools.

***TV Aerial Maintenance** - Repairs and maintenance to TV aerials installed by Stonewater.

Variable Service Charges - Based on the terms of your agreement, if the cost of the services you're paying for goes up you will receive a debit balance on your rent account after your reconciliation. If the cost goes down, you will receive a credit balance on your rent account after your reconciliation.

***Water - Communal** - Water for communal areas.

Water - Individual - Water inside your home.

***Water System Testing** - Water system testing to prevent legionella from forming in the pipes as required by law.

***Window Cleaning** - External window cleaning for the communal areas in your block or scheme.

***Window Cleaning - Individual** - External window cleaning for the windows for your property.

* - [Housing Benefit and/or Universal Credit eligible. Please check with your benefit provider to find out what you're covered for.](#)

Service charge FAQs

What is a service charge?

A service charge is the amount you pay (if applicable) for the delivery of services to your property or on your scheme. This may include things like cleaning, lighting, secure door entry, grounds maintenance, and the cost of managing these. The amount charged depends on the services provided. For leaseholders and shared owners, the service charge also includes the cost of building insurance.

How do service charges work?

At the beginning of your service charge year we will send you a service charge estimate. Your estimate is a calculation of how much we think we're going to spend during the upcoming year based on the services you receive. We calculate the estimates based on known servicing costs, contracts and prior year actual costs. The estimate for the year is usually applied to your account in twelve monthly amounts. Your estimate may increase some years and decrease in others.

What is a reconciliation and when will it be done?

As soon as practical, after the financial year has ended, we review the accounts to understand the difference between what we estimated we would spend and what we actually spent. This will determine if there is an underspend, meaning we collected too much money, or overspend, meaning we didn't collect enough money. This is called a reconciliation of account. If there is an underspend a credit will be applied to your account but if there is an overspend, then a debit balance will be applied to your account which may mean you need to increase your monthly payments to cover the cost. We'll spread any debit applied to your account over the remainder of the accounting year. The credit or debit will show as a manual adjustment on your account.

How are my service charges split between my neighbours and me?

Service charges are split depending on your property type, what is specified in your lease or transfer documents and the services being provided to your scheme. For example, this could be based upon a percentage, or the number of properties that benefit from the service being provided. You can normally see the split for charges on your service charge summary. If you would like further information as to how your service charges are split, please contact us on 01202 319 119 or via email servicecharges@stonewater.org.

I believe I have received a letter with the incorrect road name on the service charge summary.

We group some of our properties into schemes, the scheme may have a name that differs from your road name or your home address as this refers to a wider group of properties and addresses.

Why have I received more than one summary?

This usually applies to our customers who live in a flat as you pay charges for your scheme but also for services provided to your block or building. These are usually split into different funds called Fund A, Fund B or Fund C. Fund A costs are payable by everyone on the scheme. If you live in a flat with a communal entrance (an entrance you share with other residents to enter the block) you'll pay an additional Fund B cost. If you live in a flat with your own entrance you'll pay an additional Fund C cost.

I have had charges applied to my account following a reconciliation for a period of time before I owned my property?

You are responsible for meeting this cost even if you didn't own it during that period. If you purchase part way through an accounting year you may be liable for charges not yet demanded, even if they relate to a period prior to your purchase. In such circumstances your

Service charge FAQs continued...

conveyancer/solicitor would normally arrange for the seller to set aside some money to cover their part of the period (usually called a retention or retainer), so you may wish to speak to them to see if this took place and for more information.

How can I tell what services I am receiving?

The services provided to your scheme can be found on the service charge summary or rent review letter you receive yearly.

How can I get more information on buildings insurance including making a claim?

Please contact us either by telephone on 01202 319 119 or via email at customers@stonewater.org for more information.

Why do I pay Grounds Maintenance?

The grounds maintenance in your service charge relates to the maintenance of the shared outdoor spaces where you live. This covers areas that are owned by Stonewater and can include grass, shrubs and paved areas. The charge is shared fairly between all Stonewater customers who live on the scheme.

What is my administration and/or management fee for?

The administration/management fee includes our costs of preparing and setting budgets at the start of the financial year, managing the service charge accounts throughout the year and preparing the year end accounts including issuing your service charge statement. It also includes the costs of managing and monitoring service contracts such as grounds maintenance and communal cleaning.

I do not believe I receive one of the listed services or that the service is being completed as it should be, what should I do?

We know we don't always get things right and we're sorry if, on occasion, you feel let down by our services. If something should be

delivered in your home or neighbourhood but isn't, please report via our website so we can fix it. Visit stonewater.org/estateservices.

If you think you're being charged for something incorrectly, please let us know via our website so that our we can look into it for you.

How can I pay my service charges?

Service charges should be paid in advance each month, preferably by direct debit. The Income team deal with all payments and are able to set up a direct debit for you over the phone on 01202 319 119. The easiest way to pay your service charges is using MyHome. If you would like to pay online, or set up a new direct debit, please visit myhome.stonewater.org.

If you pay by direct debit, we will adjust your direct debit each year as your estimate/bill changes and when your reconciliation takes place. If you pay by any other method, then it is your responsibility to amend your payments accordingly to ensure that your account does not fall into arrears.

Housing Benefit and Universal Credit

If you are in receipt of Housing Benefit or Universal Credit, some service charges will be covered via this payment, whilst others are classed as ineligible and therefore not covered, meaning you are responsible for paying these charges. Eligible charges are usually those which relate to services carried out in communal areas of the property, such as communal cleaning. Personal charges/services, such as individual heating, water and electricity would be classed as ineligible and therefore would not be covered.

You can find out more about eligible and ineligible service charges on page 8 and 9 of this guide.

Help and support

If you have any questions about your service charges, please call us and we'll be happy to help you.

You can also email us at servicecharges@stonewater.org



Your access to a huge range of discounts.

myhome.stonewater.org

How to get in touch:



Go to

myhome.stonewater.org

Report repairs, set-up a direct debit and manage your tenancy 24/7

Call us on

01202 319 119

Lines are open Mon-Fri 8am-8pm and Saturday 9am-1pm

Go to

stonewater.org

For the latest news and livechat



Join the conversation

discuss.stonewater.org

Give feedback and more