

Understanding your service charges

Your monthly rent payment covers the cost of providing and maintaining your individual property. Service charges cover any services you receive outside of your property, or shared with your neighbours, for example communal grounds maintenance, neighbourhood caretaking services or providing communal utilities: electricity, water, gas to shared areas.

What is a service charge?

A service charge is how we recover our costs for providing and maintaining services to a block of flats or an estate and is the money you pay to cover the day to day running costs of where you live.

Service charges are made in addition to your rent and cover services, repairs, maintenance and other variable costs that are not covered by your rent. If you pay a service charge in addition to your rent, you would have received details of the services provided at the start of your tenancy. The services these charges include (where provided):

- Neighbourhood Caretaking and Grounds Maintenance
- Caretaker
- Garden Maintenance
- Window Cleaning (Communal windows only)
- Cleaning (Communal areas only)
- Private Road Insurance
- Third Party Service Charges
- Door Entry Maintenance
- Lift Inspection
- Depreciation of Lift
- Annual Maintenance Charge – Fire Equipment
- Annual Maintenance Charge – CCTV
- Call Out Charges – Fire Equipment
- Call Out Charges – CCTV
- Fire Alarm Testing
- Depreciation of Fixtures and Fittings

- Laundry Equipment Lease
- Communal Electricity
- Communal Water
- Communal Heating
- Admin Charge

What is a fixed service charge?

At LYHA we use a fixed service charge. This means that the amount we charge you in any one year is based on our best estimate of what it will cost to provide your services. At the end of the year, if we have spent more than we budgeted for, we do not re-charge you, and equally if we have spent less, we do not give you a refund. We aim to charge an amount which accurately reflects the cost of providing services.

The amount you pay does not change during a service charge year.

How is my service charge payment worked out?

Our financial year starts on 1st April and ends on 31st March the following year.

We calculate what you pay, each year for each service, based on what we have spent in previous years, along with what we know it will cost for the upcoming year.

Costs are shared equally, on a scheme by scheme basis, between all the residents who receive these services.

If you pay a service charge, we will tell you what your new service charge will be in the February of each year along with your annual rent review notification. Your service charge statement gives you details of the services you receive and a breakdown of the amount we estimate it will cost to provide these for the upcoming year.

Service charge terms explained

Here are examples of services provided so you can see what you are paying for. Your service charge statement will tell you which services you receive and what you have to pay for.

- **Neighbourhood caretaking**
 - o This charge covers the cost of the scheduled cleaning and caretaking of shared areas in blocks of flats, sheltered schemes and shared areas on your estate. It includes sweeping / clearing shared access ways, and cleaning shared bin stores.
- **Garden Maintenance**
 - o This charge covers the cost of caretaking services plus grass cutting, hedge and shrub trimming, weeding, leaf collection and litter picking to shared areas on your estate, along with tree maintenance
- **Window Cleaning (Communal windows only)**
 - o This charge covers the cost of providing a window cleaning service to shared areas. We pay the supplier and pass the costs on to you

- **Door entry maintenance**
 - This charge covers the cost of on-going maintenance of any shared door / door-entry system to shared entrances
- **Lift Inspection**
 - This charge covers the cost of providing and on-going maintenance, servicing and safety inspection of any shared lift
- **Annual Maintenance Charge – Fire Equipment**
 - This charge covers the cost of installation and on-going maintenance of the equipment
- **Fire Alarm testing**
 - This charge covers the cost of regularly checking that any fire alarms in shared areas are working correctly
- **Laundry Equipment Lease**
 - This charge covers the cost of providing and the on-going maintenance of shared washers and driers, along with maintaining the laundry room
- **Communal electricity, water, heating**
 - This charge covers the cost of these utilities to shared areas on a scheme. We pay the supplier and pass the costs on to you
- **Admin charge**
 - This charge covers time (cost) of managing the service charge account for your scheme. Our current Admin charge is based on 12.5% of the general service charge cost

Can I get help to pay my service charge?

Most of our service charges are eligible for payment by either Housing Benefit or Universal Credit; however, the eligibility rules can be complicated.

Housing Benefit

If you are eligible to claim housing benefit you should contact your local council to check which of your service charge costs are eligible for housing benefit.

Universal Credit

If you are eligible to claim Universal Credit you should contact The Department for Work and Pensions (DWP) to check which of your service charge costs are eligible for the housing support element of Universal Credit: Helpline: 0345 600 0723 Monday to Friday, 8am to 6pm (N.B. this may cost you to call from a mobile).