

east THAMES

Frequently asked questions

Variable Service Charges:
April 2015 – March 2016

INFORMATION FOR ALL VARIABLE SERVICE CHARGE PAYERS

Service charges cover the cost of maintaining your block and grounds. For most residents we use a variable service charge system to calculate the charges. This means that where a communal service exists, we estimate what the cost will be and charge leaseholders and tenants their share of that estimate. These estimates are calculated using information from our contract with our repairs and maintenance Partner, Interserve, and by looking at how much services have cost before.

Q: What happens if the estimate is lower or higher than we have been charged?

A: We check whether the actual cost of the services was higher or lower than our estimate. We then adjust the charge accordingly. We will tell you within six months of the financial year end (March 31st) this way, you pay the actual cost of services rather than estimated costs.

Q: How do I know which service costs were higher or lower than the estimates?

A: On your statement you will see that we have included the estimated figures charged to you from April 2015 for each service you receive (budget), the costs incurred (actual) and the difference (variance) for each service.

Q: Why are there costs on services that originally had no estimate?

A: Although we try to have an estimate for all services, sometimes it will be the first time you have incurred these costs. This could be due to a new maintenance contract or a service that was previously been under warranty. Some of these maintenance services may have statutory compliance costs attached. It may also be that we have not charged you for a service that we should have, such as communal lighting repairs or day to day repairs.

Q: I have received charges for a service that I should not be charged for, what should I do?

A: You should contact us on the details at the bottom of this document, so we can investigate it further.

Q: Why have I been charged for fire equipment when I don't have an alarm or an extinguisher?

A: The fire maintenance contract consists of the maintenance of fire alarms, extinguishers, lightning conductors, dry risers, smoke alarms, smoke vents and emergency lighting which may be in communal areas or in your home. The charge shown on your service charge schedule could be for one or all of these items. For further information regarding any of these services please go to <http://www.east-thames.co.uk/rent-review>

Q: Why am I being charged for communal repairs, and what are they?

A: This charge is for repairs to communal areas items such as carpets, manual gates, rotary driers and communal garden equipment. Whilst some communal area repairs are due to normal wear and tear, many can be avoided if residents treat the communal areas with respect.

Q: Who provides these services?

A: The services may be provided by East Thames Group or a managing agent. Where a managing agent wholly delivers services for your property, the managing agent's name will be on your schedule of charges. Where a managing agent part delivers services for your property, the cost provided by them will be noted on the schedule under Pure Services.

Q: What do Pure Services cover?

A: These may include services which are not delivered directly by us. However, these are charges for facilities which legally have to be provided as part of our local authority planning. If you require further details for your property, please contact your service charge officer using the contact details on your letter.

Q: I am a tenant and pay my service charges weekly, how will a deficit be charged to me?

A: The deficit (amount underpaid for services between 1st April 2015 and 31st March 2016) will show as a weekly variance on your rent account and will be charged as from Monday 3rd April 2017 additional to your weekly estimated charges for 2017/2018.

Q: I am a tenant and pay my service charges weekly, how will you repay my surplus?

A: The surplus (amount overpaid for services between 1st April 2015 and 31st March 2016) will show as a weekly variance on your rent account and will be credited as from Monday 3rd April 2017 reducing your weekly estimated charges for 2017/2018.

Q: I am a leaseholder and pay my service charges monthly, how will a deficit be charged to me?

A: If you pay your charges by direct debit and your deficit is greater than £70, as from 1st November 2016 your Direct Debit will be increased to clear the deficit over five months, or if your deficit is less than £70, your next direct debit after 1st November 2016 will be increased to cover the full amount. If you do not pay by Direct Debit or you do not wish to repay your deficit in the manner shown above, you will need to contact your Customer Account Manager; using the details on your letter.

Q: I am a leaseholder, how will you repay my surplus?

A: We will reduce your November Direct Debit by the amount of your surplus. If your surplus is greater than your current monthly direct debit, your December and/or January Direct Debit(s) will be reduced by any remaining surplus. You will need to contact your Customer Account Manager, using the details on your letter, to discuss any alternative method of repayment to you.

Q: I am a shared owner - why have I contributed to a long term maintenance fund?

A: This fund is for major works to your block which occur approximately every five to eight years, like painting internal areas, replacing fencing, hiring scaffolding and also a contribution to future works such as the replacement of lifts and roofs. Unexpected major works are also charged from this fund when the work relates to the fabric of the building or surrounding grounds. We maintain a sinking fund to ensure that all occupiers contribute to major works, not just those who are in occupation at the time they are carried out, and to spread the annual charges. All reserve funds earn interest which benefits leaseholders.

Q: I am a freeholder, why do I still need to pay a service charge and long term maintenance charge?

A: You may need to contribute towards a service charge and a long term maintenance charge if, for example, your property is built on a road that has been built as part of your development but isn't the responsibility of council to maintain (known as an un-adopted road). As part of the original planning permission, we have a responsibility to look after the road which could also include lighting columns. We collect a service charge for the communal service provided for the road. A long term maintenance charge is collected for the reserve fund for any future proposed works on the road.

Q: If I am paying for insurance with East Thames Group do I need my own buildings insurance?

A: You do not need your own buildings insurance as East Thames Group is the freeholder and therefore covers this. However, if you want to insure your belongings, you will need to take out personal contents insurance.

Q: I have buildings insurance with East Thames Group, what do I have to do to make an insurance claim?

A: For more information or to make a claim on your buildings insurance please contact; Arthur J. Gallagher Housing Limited, 27 - 30 Railway Street, Chelmsford, Essex, CM1 1QS.

Telephone: 01245 341 227
Quote Policy Number: 16/RSL/10188A

If you have any further questions about your service charge statement, call us on 0300 303 7333 (Monday 8.00am to 8.00pm and Tuesday to Friday 8.00am to 5.00pm), email servicecharges@east-thames.co.uk or drop into our head office to speak to a member of our team at 29-35, West Ham Lane, Stratford E15 4PH (Mon-Fri, 9.00am to 5.00pm).