**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 in running a property, block, scheme or estate. Customers’ individual charges will vary according to the services they receive.

Below are some examples of what we include in your service charge alongside a short description and what property tenure they apply to. If you would like to know more, please contact the Service Charge Team on 0333 400 8222 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.

*\*Universal Credit and Housing Benefit eligibility is Local Authority dependant. Always check with local benefits office first.*

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| --- | --- | --- | --- | --- | --- |
| Service | Description | Rental | Leasehold/Shared Ownership | Freehold | \*UC/HB Eligible |
| 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. | Yes | Yes | Yes | Yes |
| Air conditioning | These are the costs for servicing and repairing communal air conditioning systems in situ within our blocks | Yes | Yes | Yes | Yes |
| Caretaking | Generally, the caretaking charge covers external estate such as the removal of graffiti and fly-tipped items.  (This is a reactive charge) | Yes | Yes | Yes | Yes |
| Cleaning materials | This payment covers the cost of cleaning materials brought to allow staff to maintain the shared areas. | Yes | Yes | Yes | Yes |
| Communal Decorating and Communal unit cost Decorating | This charge covers the cost of maintaining and renewing decoration of communal areas in some of our schemes. | No | Yes | Yes | Yes |
| Contract CCTV Maintenance  | This covers the servicing and repair of the communal areas monitored by a CCTV system. This can also cover any repairs carried out during the year. | Yes | Yes | Yes | Yes |
| Contract Repair & Maint White Goods  | This covers the costs of annual servicing, cleaning and minor repairs of equipment supplied to communal areas such as communal kitchens and laundry rooms as well as certain individual homes. | Yes | Yes | Yes | Yes |
| Door entry and Contract Door Entry  | This covers a contract for all door entry systems. Once reported, someone will attend to carry out any necessary repairs, including at weekends. Any faults out of office hours can be reported using the normal repairs line. The contract covers callouts and repairs. | Yes | Yes | No | Yes |
| Emergency system/fall arrest | For areas that have communal fire systems, this covers the cost of repair, replacement and annual servicing of equipment and weekly testing. This incorporate dry risers, Automatic Opening Vents and emergency lights. Fall arrest covers the costs for repairing, servicing and inspection the fall arrest system located on some of our rooves. This equipment, where in situ, ensures that operatives and contractors can safely access the roof. | Yes | Yes | No | Yes |
| Environmental/Hygiene charge | In some properties and schemes Aster require contracts for the removing and disposal of hygiene bins.  | Yes | Yes | No | Yes |
| Estate cleaning and Contract Estates 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. | Yes | Yes | Yes | Yes |
| Estate cleaning external and Contract External Cleaning  | 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 / and carrying out minor repair works. This is an estate charge, and therefore is not only applicable to flats. | Yes | Yes | Yes | Yes |
| 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. | Yes | Yes | Yes | Yes |
| Gates/barrier maintenance | For car park areas with security gates, this covers the servicing and repair costs to maintain access. | Yes | Yes | Yes | Yes |
| Grd floor windows | This charge is specifically for the cleaning of windows to individuals flats that are location on the ground floor.  | Yes | Yes | Yes | Covered by HB but no UC |
| Grounds maintenance & Contract 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 can also include any hard-standing areas such as car parks or garage areas. This also may not be the grounds directly surrounding your property. This charge is can be applicable for both houses/bungalows and flats. The level of service may vary in different regions. | Yes | Yes | Yes | Yes |
| Gutters and gullies | We arrange for gutters to be unblocked and cleaned and have leaves removed from roof gullies to help drainage. | Yes | Yes | Yes | Yes |
| Hard Wired Alarm/Lifeline-Monitoring  | This charge covers the monitoring of the communal system. This can also cover any lifelines or alarm support within individual properties. | Yes | Yes | Yes | No |
| Hardwired Alarm/ Lifeline Maintenance  | This charge covers the maintenance of the communal system. This can also cover any lifelines or alarm support within individual properties. | Yes | Yes | Yes | No |
| Income | Certain shared schemes have communal rooms that can be hired for meetings or guest rooms that can be rented to family members. This is the income generated from these activities. | Yes | Yes | Yes | NA |
| Independent Living | The Independent Living service charge, formerly known as Enhanced Housing Management has not changed. The service does not provide individual care or support but reflects a more intensive housing service than is provided to our general needs customers due to the nature of the extra care & sheltered buildings residents within these schemes. | Yes | Yes | Yes | Yes |
| 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 such as in car parks, certain bin stores or street lighting. This charge isn’t just applicable for flats and can be passed onto houses too. | Yes | Yes | Yes | Yes |
| 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”. | Yes | Yes | No | Yes |
| Landlords Gas  | This covers the cost of providing heating in communal areas of some of our buildings, especially our supported housing customers. | Yes | Yes | No | Yes |
| Lift Maintenance & Communal Contract Lift Maintenance | 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. | Yes | Yes | Yes | Yes |
| Management fees  | This is how much it costs us to prepare and send out your service charges and is currently based on a percentage of the overall service charges. More details on how this is calculated can be given upon request. | Yes | Yes | Yes | Yes  |
| Peace of Mind  | This charge covers the cost of delivering an independent living service by a third party.  | Yes | Yes | Yes | No |
| Personal Electric charge | In some individual properties the Electricity is supplied via a meter that the utilities company bill Aster for. Aster then recharge this back to the residents via the Service Charges. | Yes | No | No | No |
| Personal Heating | In some individual properties Aster pay the bills for the heating. We then recharge this back to the residents via the Service Charges. | Yes | No | No | No |
| Personal Water charge | In some areas Aster are responsible for the invoicing of water supplies to individual properties rather than an external water provider.  | Yes | Yes | Yes | No |
| Pest control and Contract Pest Control  | This charge pays for an external company to deal with any pest problems found on the communal estate areas. | Yes | Yes | Yes | Yes |
| Playgrounds  | This covers weekly inspections to ensure the equipment is safe to use as well as servicing and repair of playground equipment on the estate. Reactive work may cover any litter picking required during the year. | Yes | Yes | Yes | Yes |
| Repair and replace essential equipment | Equipment that services your property/block/estate all must be replaced at some point in time for example: door entry systems, communal flooring, soft furnishings, fire alarms etc. When items such as these are replaced rather than recoup the costs in a single payment we will instead recover this cost over a number of years. This is where we will collect these monies from you. | Yes | No | No | Covered by HB but not UC |
| SC Personal Aids & Adaptations Mntce  | This is the cost to fit, maintenance and inspect specialist equipment within properties such as hoists, stairlifts, automatic door openers. | Yes | Yes | No | No |
| Sewerage | This charge covers the cost of dealing with waste water if your property isn’t linked to the public sewer system. | Yes  | Yes  | Yes | Yes |
| Sewerage/Environmental charge | This cost covers any telephone line costs that are linked to the pumping station/sewerage plant your property is connected to. | Yes | Yes | Yes | Yes |
| Specialist grounds maintenance | This charge covers the cost of grounds maintenance outside the regular contract, such as maintaining badger runs. | Yes | Yes | Yes | Yes |
| Telephone-Inc CCTV and lifts  | The cost of providing a dedicated telephones lines within communal lifts and telephone lines for hard wired alarm systems. This can also cover the phone line for any CCTV equipment as well as the fire system. | Yes | Yes | No | Yes |
| Third-party service charge/Managing Agent Fees | For some of our buildings, service charges for the area and/or block are provided and managed by another company who invoice Aster which we will pass on via service charges.  | Yes | Yes | Yes | Yes |
| 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. | Yes | Yes | Yes | Yes |
| TV System Maintenance and Contract TV System Maintenance | This covers the costs of annual inspection and minor repairs of equipment supplied to communal areas or to certain individual homes. | Yes | Yes | Yes | Yes |
| 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. This type of test is undertaken in communal kitchens, guest rooms, communal toilets and bathrooms and communal laundry rooms. | Yes | Yes | No | Yes |
| Window Cleaning | Depending on the contract in place, we arrange for an external contractor to clean communal windows. | Yes | Yes | Yes | Yes apart from ground floor windows |

**Leaseholder specific charges**

The services listed below are charges that are specific to leaseholder and share ownership customers. However they may also pay for some the services mentioned above.

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| Service | Description | Rental | Leasehold/Shared Ownership | Freehold | \*UC/HB Eligible |
| Administration Costs | This charge is used for properties that we lease out to other organisations where the lease agreements enable us to charge a service charge, but it is not specific about what this is for.  | No | Yes | No | Yes |
| Buildings insurance | We insure the structure of your building. Please ask your home ownership co-ordinator if you would like a copy of the things it covers. | No | Yes | No | Yes |
| External decs & Roof Works | 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. This consultation is referred to as a Section 20 and is a legal requirement to do before the actual work is done. | No | Yes | Yes | Yes |
| Garage Building Insurance | If you own a garage that is located underneath a property that Aster own this is the cost for insuring that building.  | No | Yes | Yes | No |
| 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. | No | Yes | No | Yes |
| 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. | No | Yes | No | Yes |
| Major works Doors | This charge is for work scheduled on a rolling programme that is for replacement communal and individual property front doors. We will consult with you before any work of this type is undertaken. This consultation is referred to as a Section 20 and is a legal requirement to do before the actual work is done. | No | Yes | Yes | Yes |
| Major works Energy Efficiency | This charge is for work scheduled on a rolling programme that is for energy efficiency works. We will consult with you before any work of this type is undertaken. This consultation is referred to as a Section 20 and is a legal requirement to do before the actual work is done. | No | Yes | Yes | Yes |
| Major works Fascia and Soffits | This charge is for work scheduled on a rolling programme that is for replacement of fascia and soffits. We will consult with you before any work of this type is undertaken. This consultation is referred to as a Section 20 and is a legal requirement to do before the actual work is done. | No | Yes | Yes | Yes |
| Major works Lift Replacement | This charge is for work scheduled on a rolling programme that is for replacement of lifts. We will consult with you before any work of this type is undertaken. This consultation is referred to as a Section 20 and is a legal requirement to do before the actual work is done. | No | Yes | Yes | Yes |
| Major works Rain Water Goods | This charge is for work scheduled on a rolling programme that is for replacement of rain water goods i.e. gutters. We will consult with you before any work of this type is undertaken. This consultation is referred to as a Section 20 and is a legal requirement to do before the actual work is done. | No | Yes | Yes | Yes |
| Major works walls | This charge is for work scheduled on a rolling programme that is for replacement works to boundary walls. We will consult with you before any work of this type is undertaken. This consultation is referred to as a Section 20 and is a legal requirement to do before the actual work is done. | No | Yes | Yes | Yes |
| Major works Windows | This charge is for work scheduled on a rolling programme that is for the replacement of windows. We will consult with you before any work of this type is undertaken. This consultation is referred to as a Section 20 and is a legal requirement to do before the actual work is done. | No | Yes | Yes | Yes |
| Sinking Fund Contra | This contra charge is when monies from the Sinking Fund are used to off set the costs of External decs & Roof Works that are carried out to the property. | No | Yes | Yes | NA |
| Sinking funds | This is when we ask Shared Owners and Leaseholders to build up an amount in advance of renewal, redecoration or Major Works 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. Depending on what is stated in the lease depends on what is covered by the sinking fund, commonly (not exclusively) it is replacement of doors, windows, roofs and redecoration. | No | Yes | Yes | No |