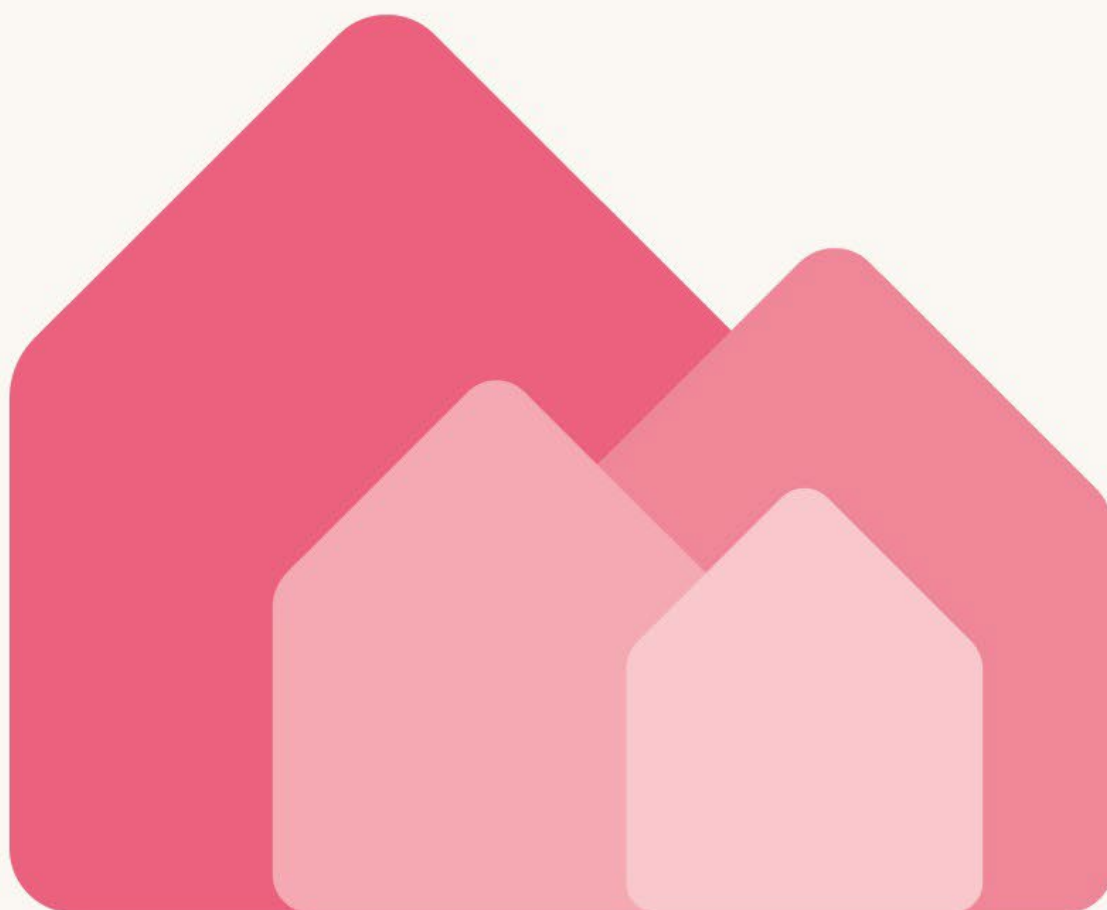


Clarion Housing Group

Frequently Asked Questions about your
service charges



CLARION
HOUSING



How are my service charges calculated?

Social Rent tenancy

If you have a Social Rent tenancy, the breakdown of your service charges outlines the charge for services you receive that are not covered by your rent.

Because we do not know exactly how much it will cost to provide your services next year, we have to estimate how much we think it is likely to cost. To make sure we are as accurate as possible, your new service charges are based on how much your services cost in previous years and consideration given to what services may need to be provided in the coming year. If you have any queries on your estimated service charges, please contact us on 0300 500 8000 to discuss further.

Affordable Rent tenancy

If you have an Affordable Rent tenancy, you will have communal service charges included within your rent. A breakdown may be provided for charges which relate to personal costs, such as heating and hot water consumed in your own home, or personal electricity and water consumption, depending on the arrangements for your building. These charges are not included within your rent.

Home Owners (Shared Owners/Leaseholders/Freeholders)

If you are a shared owner or a homeowner, in line with your lease or transfer document we will provide you with your estimated services charges before the beginning of the financial year (1st April).

Because we do not know exactly how much it will cost to provide your services next year, we have to estimate how much we think it is likely to cost. To make sure we are as accurate as possible, your new service charges are based on how much your services cost in previous years and consideration given to what services may need to be provided in the coming year. If you have any queries on your estimated service charges, please contact us on 0300 500 8000 to discuss further.

Within six months of the end of the financial year (31st March), we will send you a certificate of actual expenditure which will tell you if there is any difference between what we estimated and what the actual cost has been. The difference will then be applied to your account on 30th September.

Fixed and Variable service charges

Some of our tenancies have fixed service charges. We use our best endeavors to estimate the cost of services based on the services provided in the previous year. You will then be charged on the basis of this estimate.

If your tenancy agreement states you have variable services charges we will provide you with estimated service charges, followed by a certificate of what was actually spent on services within six months of the end of the financial year, by 30th September. If you have paid too much, or not enough, the difference will be carried over into the following year's charges and applied to your account.

Eligible and Ineligible Housing Benefit Charges

Certain service charges are eligible for help through Universal Credit or Housing Benefit. Eligible charges are usually those related to services carried out in communal areas of the property, such as communal cleaning, or the cost of providing communal heating and lighting etc. There are however some service charges that are not eligible and are not covered by either Universal Credit or Housing Benefit, as a rule these are charges for personal services such as personal heating and hot water and contents insurance. If you would like further information on eligible and ineligible service charges in Universal Credit or Housing Benefit, please contact us on 0300 500 8000.

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

Properties are grouped into blocks and/or estates for dividing service charges. Service charges are apportioned depending on what is specified in the lease or other legal document relevant to your home and based on the services being provided. If you would like further information as to how your service charges are apportioned, please contact us on 0300 500 8000.

How is my Ground Rent calculated?

If you are a homeowner your lease may require you to pay Ground Rent to the freeholder of your property. Your lease will also say if the amount of Ground Rent payable will increase over time. If you need to pay Ground Rent, you will receive a notice of demand that will tell you how much you need to pay. This is usually sent to you each year before 1st April.

What can I do if I have a question about the charges stated in my breakdown?

If you are unhappy with the service provided, you can get in contact with us by visiting myclarionhousing.com/contactus or, alternatively, you can contact us on 0300 500 8000. We will be able to take details of why the service provided has not met your expectations and raise this with the relevant business teams to get in contact with you to discuss further. If you are unsatisfied with the outcome of your enquiry, please follow our complaints process to escalate this further.

If you are unhappy with the amount you are being charged for services provided, you can also contact us on the number above, or visit myclarionhousing.com/contactus. We will then be able to take details on the charge you are querying and ask our service charge team to look into the charge and offer an explanation as to why the charge has occurred and what the charge covers. If you are unsatisfied with the outcome of your enquiry, please follow our complaints process to escalate this further.

How can I request a written summary of costs for my service charges?

If you would like a full breakdown of your service charges please refer to point 9 and 10 in the Summary of tenant's rights and obligations document which will outline the steps you need to take. Upon receipt of your written request, we will be able to provide you with the requested information.

Why do I pay an admin fee and a management fee?

The administration fee is charged on the total cost of services to communal service charges and it covers our costs of obtaining and managing the service and the cost of preparing and reconciling the service charge account. Whilst, a management fee is charged to some homeowners to cover our costs of managing the relationship with you as set out in your lease of freehold transfer and it covers our costs of managing the lease obligations, collecting rent and service charges and carrying out consultations with leaseholders. Essentially, the admin fee is charged on communal services provided, whilst the management fee covers our cost of managing the relationship with you as the homeowner.

Following a business review of structures and processes, resulting in overall cost reduction, administration fees will be charged at the lower of 15% on the cost eligible communal services and £200 per annum from April 2022. For management fees, there will be two tiers of charges set at either £65 or £140 per annum for existing homeowners already paying, with effect from April 2022.

Our Description of Services, below, should be able to assist you in understanding the items on your service charge breakdown, but please get in touch if you would like to query the services, or charges stated.

Description of Services:

Abandoned Vehicles:

This charge is for the cost of removing abandoned vehicles from your estate.

Administration Fee:

This is a charge on the total cost of services to communal service charges. It covers our costs for obtaining and managing the service and the cost of preparing and reconciling the service charge account. For example, the administration charge for repairs will help meet the costs of staff involved in ordering the repair, checking the repairs for quality and paying contractor invoices.

Bin Hire:

This charge is for the hire of bins from the local authority or refuse company for the estate or block. This can also be for a depreciation cost for bins, whereby costs are spread over a certain timeframe to allow for them to be more manageable.

Building Insurance:

This charge is for Building Insurance - under the terms of your lease (where it applies), we have an obligation to insure the building on behalf of the leaseholders against risks like fire and flood. Leaseholders and shared owners are recharged for the cost of this insurance.

The building Insurance policy details are:

Building Insurance Provider – Igloo/Protector

Policy Number – Igloo / ASG002/2021 – 932838

Claims telephone number: 01245 341277

Caretaking – Block or Estate:

This charge is for caretaking services - on some sites we have caretakers providing both internal and external services to ensure the property and wider estate are maintained to a good standard. This charge includes costs such as vehicle hire, cleaning materials, a proportion of the caretaker's salary, estate services management costs and the equipment they use.

Communal Cleaning:

This charge is for the cost of cleaning the communal areas inside a block such as stairs, communal hallways and pathways by a contractor or a Clarion estate services team. Where an in-house estate services team carries out communal cleaning, this charge will be a contribution to the cleaning equipment and materials used.

Communal Electricity:

This charge is for the cost of electricity and power to communal areas including power to lifts, communal boilers, air source heat pumps and water pumps. Charges are based on the amount billed by the energy provider.

Communal Gas:

This charge is for the cost of fuel charges for the communal areas and hot water provided in a sheltered scheme to a communal bathroom, laundry room or kitchen, for example.

Communal Lighting:

This charge is for the repairs and maintenance of block and/or street lighting.

Communal Window Cleaning:

This charge is for the cleaning of communal windows within a block. This will not include the cleaning of the windows in your own property.

Concierge:

This charge is for a scheme based service to provide block patrols (reporting anti-social behaviour, repairs and health and safety issues), maintenance access and security for the building, such as door entry and live CCTV monitoring.

Day to Day Repairs:

This charge is for your share of costs for day to day repairs to, or within, communal areas of your block or on your estate, for example, repairs to a main entrance door. You may not see an estimated service charge for these repairs included but you will be recharged for any eligible works when we send you your certificate of actual expenditure for the previous financial year. Please be sure to consider this when budgeting as this could create a deficit on your account.

Door Entry Service Contract:

This charge is for the annual cost of maintaining and servicing door entry systems.

Fire Protection:

This charge is for the cost of service and maintenance of fire protection measures such as emergency lighting, alarms, sprinklers and automatic opening vent systems. Clarion has a statutory duty to ensure the safety of its blocks. We are committed to following a risk based approach such that we will complete inspections and servicing that satisfies both regulation and wider building safety guidance. By doing this we are able to demonstrate effective risk control of our buildings.

Furniture Charge:

This charge is for the cost of purchasing, maintaining, repairing and replacing furniture provided by Clarion, such as Sofas or Tables in shared communal areas or bedroom furniture in individual units.

Grounds Maintenance Contract:

This charge is for the cost of maintaining the grounds of the estate around or near to your property. This includes services such as grass cutting, tree surgery and maintenance of flowerbeds. External contractors or our own Grounds Maintenance Operatives may carry out this work.

Grounds Maintenance Non Contract:

This charge is for costs where grounds maintenance services have occurred outside of an agreed contract.

Intensive Housing Management:

This charge is for the provision of an intensive housing management service, delivered to residents, in our LiveSmart and Supported Housing schemes. This includes the management of scheme facilities, providing additional onsite guidance, and arranging for activities such as repairs to be carried out. The charge is applied to elements of service which are required in a scheme setting, but which would not be required in someone's family home.

Laundry Service:

This charge is for servicing and providing washing and/or drying appliances and the repair and/or replacement of equipment, if beyond repair.

Lifts:

This charge is for the cost of servicing and maintenance carried out, to ensure that lifts or stair lifts are in good working order.

Lightning Protection:

This charge is for protection to the building in the event of a lightning strike.

Major Works (applicable to homeowners only):

This charge is for Major works costs, for planned or cyclical maintenance such as roof replacements, new lifts, external redecoration and redecoration of communal areas inside a building. Before any major works are started we will consult with shared owners and leaseholders in accordance with Section 20 Legislation and advise how much the work is estimated to cost.

Management Fee (applicable to homeowners only):

This charge is for management fees; we charge management fees to some of our homeowners, to cover our costs of managing the relationship with you as set out in your lease or freehold transfer. We set the charge dependent on the property type and the services we provide. The management fee covers our costs for:

managing the lease obligations;

collecting rent and service charges;

consulting leaseholders on repair work and long-term contracts;

investigating and where necessary taking action on breaches of the lease; and

undertaking inspections to ensure compliance with statutory requirements.

Managing Agent Services:

This charge is for Managing Agent services; in some cases, the freehold is not owned by Clarion and we work with a managing agent who works on behalf of the freeholder to provide a range of services for the estate. Clarion is charged by the managing agent for the cost of these services, which are then recharged through service charge in line with your lease or tenancy agreement. If you would like more information about the services charged for, please do not hesitate to get in touch and we will be able to provide a copy of the managing agent's accounts to you.

Personal Electricity:

This charge is for electricity consumed within a property by an individual resident or owner.

Personal Heating & Hot Water:

This charge is for gas consumed within a property by an individual resident or owner.

Pest Control:

This charge is for any costs incurred in clearing pests from communal areas, or where there is a risk of infestation from an individual property to communal areas, including pesticides and pest control contracts.

Portable Appliance Testing:

This charge is for periodic checks of electrical installations for the supply of electricity to the common parts of a building and equipment such as the lift.

Provision of Mechanical and Electrical:

This charge is for the provision of a facility within your block, which is usually managed by the Mechanical and Electrical Team at Clarion, for example the provision of CCTV, door entry phone, TV aerial or fire safety equipment. The cost of providing this service would have been calculated by dividing the cost of the installation by its life expectancy. If you were a former Circle resident you would previously have seen the item charged in the description but now this shows under the one service charge cost stated above.

Provision of Other Equipment:

This charge is for the provision of other equipment which would have been calculated by dividing the cost of installation by its life expectancy. This could be items such as salt bins and equipment in drying areas and also covers the maintenance of the equipment. If you were a former Circle resident you would previously have seen the item charged in the description but this now shows under the one service charge cost stated above.

Refuse Collection:

This charge is for the cost of removing large objects dumped or disposed of around the estate and/or block when we are unable to identify and prove who was responsible for leaving it there. This could be a fly tipping incident, for example. It is not the removal of general domestic household waste collected from general refuse bins by your local authority.

Roof Top Safety:

This charge is for the cost of servicing and maintenance of fall arrest equipment used for roof maintenance and window cleaning.

Sewer/Surface Pump Servicing Contract:

This charge is for the cost of maintaining and servicing the waste water/sewerage plant and system serving your home (this only applies if you are not connected to a main sewerage system paid for to a Water Authority). This also includes any repairs that may be required.

Sinking Funds:

In many leases there is a provision for Clarion to collect payments in advance to create a 'Sinking Fund' (this is sometimes referred to as a Reserve Fund). The purpose of a Sinking Fund is to build up a pot of money to contribute to the cost of any work that may be needed but that does not happen regularly. This would primarily be works deemed as major work, such as structural work or a lift replacement, or planned maintenance such as redecorations to a block.

Sinking Funds help to make the cost of major work more manageable. Leases may state how much is to be contributed each year, but usually they do not, and therefore Clarion decides how much the contributions should be. The level of contributions are assessed with reference to the age and condition of the building and likely future cost estimates, with an allowance for VAT and fees included.

Sinking Funds will earn interest and will be held in a special account. They are collected on behalf of the property and any contributions to the Sinking Fund are not repayable when a flat is sold. Following the completion of works the total costs will be calculated and you will be charged for your individual proportion of the works, based on the terms of your lease. The fund is only accessed at the point works are charged to you – you will be informed of when your Sinking Fund will be used and kept advised of how much is in the fund on an annual basis.

Security Service:

To provide security patrols and concierge services, as part of 24 hour static security service team, in order to maintain a safe and secure environment at residential blocks in London. To identify, disrupt and detect criminal or anti-social activity and work with stakeholders to resolve. Ensure that residential blocks are safe and secure by patrolling property, controlling access, monitoring and downloading CCTV and inspecting buildings and taking immediate action where appropriate.

- Work collaboratively with the Estate Services, Neighbourhood Response and Tenancy Specialist teams to ensure that residential areas are safe and secure.
- Support stakeholders in delivering resident communications or other initiatives to improve customer satisfaction and respond to emergency situations.

Television Aerial Servicing Contract:

This charge is for the cost of rent, servicing and maintenance of the communal aerial. On some blocks there will be a communal television aerial which individual properties will be connected to.

Water Hygiene Management:

This charge is for the cost of testing and any associated work or maintenance required to a communal water tank. If there is a communal water tank within a block this will need to be tested for legionella bacteria.

Water Personal Usage:

This charge is for water consumed within a property by an individual resident or owner.

Water Pump Maintenance:

This charge is for the cost of maintaining the cold water pumps/pump set and associated expansion vessels and control units. This only applies where your property is fed by such boosted systems. The

costs incurred are to ensure the pump set is maintained in good working order and to reduce failure of the water supply.

National Fraud Initiative

We are required by law to protect the public funds we administer. We may share information provided to us with other bodies responsible for; auditing, or administering public funds, or where undertaking a public function, in order to prevent and detect fraud.

We regularly participate in the National Fraud Initiative; a data matching exercise to assist in the prevention and detection of fraud. Data matching involves comparing computer records held by one body against other computer records held by the same or another body to see how far they match. This is usually personal information.

Further information can be found on the following websites:

clarionhg.com/clarion-housing-group-privacy-notice/

[gov.uk/government/collections/national-fraud-initiative#private-sector](https://www.gov.uk/government/collections/national-fraud-initiative#private-sector)