



Triathlon Homes

service charge **guide**

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Your guide to *Service charges*

This guide contains information for social rented tenants and home owners about the items covered by your service charge, including the answers to some frequently asked questions. Intermediate rented tenants do not pay service charges because the cost of these services is covered within the rent.

About service charges

Service charges are your share of the cost of providing services in the block or plot where your home is. This includes things like keeping the communal areas clean, gardening, as well as maintenance for lifts and security systems. There is a full list of services later in this guide.

These services are delivered by East Village Management Limited (EVM) across the whole of East Village. As a resident of East Village you'll see their 'Team East Village' staff out and about.

Triathlon Homes does not own the building that your home is located within. The buildings are owned and managed by East Village Management Limited (EVM) and they are responsible for providing all communal services at East Village. Triathlon Homes is obliged to pay EVM for the services delivered and to recover the costs from its home owners and tenants through your service charge. We work very closely with EVM to ensure services are delivered to the right standard, but if you ever have any feedback or concerns, please let us know.



The timetable for the year

The timetable for a service charge year is as follows:

February

In February of each year we will send you an estimated service charge for the service charge period starting and payable from the 1st April that year (April is the start of the new financial year).

April

If you pay by direct debit, we will update your monthly direct debit with the new charge so you do not need to do anything. If you pay by an alternative method, you will need to ensure that you pay the new amount due from 1st April.

September

We will finalise accounts for the financial year ending 31st March in that year and will send you a service charge summary showing the actual cost of the services delivered. How we deal with surpluses or deficits is explained in detail later in this guide.



Estimated service charges

Every February we will send all home owners and social rented tenants a service charge schedule which includes the estimated service charges you are expected to pay for the next financial year (April to March the following year). This is based on the service charge budget we receive from EVM which is a forecast of how much they think it will cost them to provide the communal services during that financial year.

You have to pay an estimated service charge as stated in your tenancy agreement or lease. For social rent tenants the service charge is payable weekly and for home owners it is monthly.

The difference between estimated and actual service charges

At the end of the financial year, when the final cost of providing the services is known, we will send you an annual statement listing what has been spent. This will compare with the amount estimated and charged during the year with the actual costs of EVM providing these services during the year.

If the actual costs are higher than the amount charged there may be a deficit. Your lease or tenancy agreement requires you to pay your share of any deficit. If the actual costs are less than charged, there may be a credit which is carried forward and used to offset the cost of next years' service charges.



Receiving a credit or paying a deficit

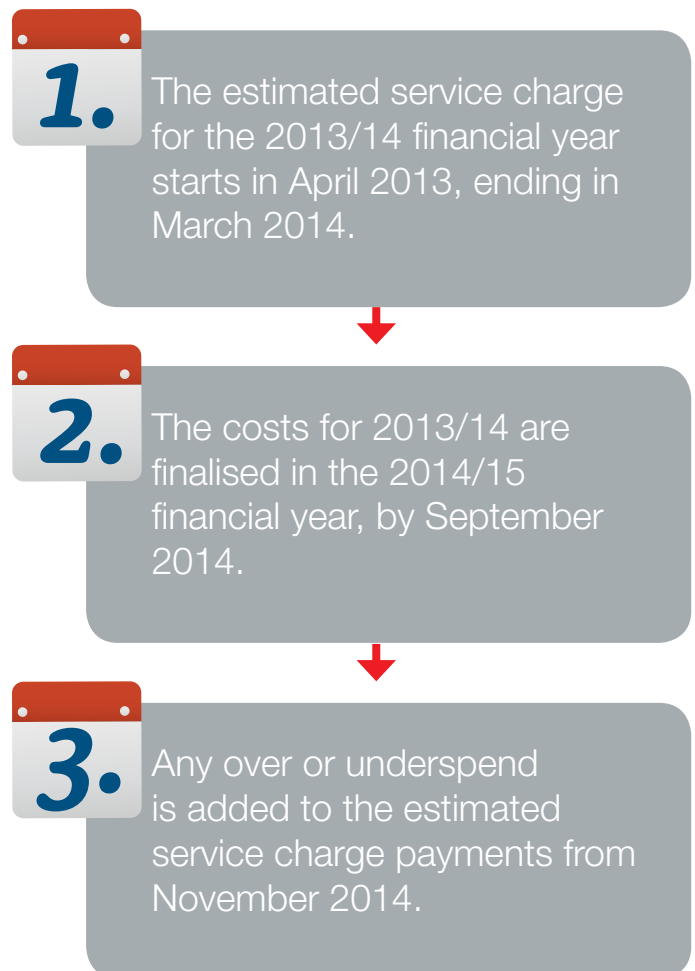
For social rented residents your tenancy agreement refers to credits and deficits as overpayments and underpayments. Any overpayments or underpayments will be carried forward to the next service charge calculation or service charge financial period.

Example:



For home owners your lease refers to any deficit as an outgoing, which you are required to pay immediately upon receiving a request/or demand from Triathlon Homes. Triathlon Homes may agree to you meeting the cost of this deficit by instalments by adding it to your on-going monthly service charge payments. This can be done once you have received your statement of account, you will need to agree this with Triathlon Homes and we will amend your monthly direct debit accordingly.

Example:



How annual service charges are calculated

EVM calculates the estimated cost of providing services to your block and/or plot and then calculates your home's share of the total. To do this the cost of providing services for the building is divided by the sum of the internal floor areas of all the homes in the building (in square metres) and then your home's share is calculated based upon the floor area of your home (in square metres).

Your service charge will depend on whether you live in an apartment or town house, the number of services you receive and are required to contribute to. Your service charge schedule will show the percentage of the total block and plot service costs that are your home's share, reflecting the type, location and size of your home.

For example, a 2 bedroom apartment measuring 70m² will be required to pay a block cost and plot cost. The total block cost will be divided by all the homes that have access to services in the block. If 70m² amounts to 1% of the total floor area of all the apartments in that block, the resident will be expected to contribute 1% of the block charges.

Plot charges relate to services that all homes receive, whether or not it is an apartment or town house. In the example of the apartment that measures 70m², if the property is 0.30% of the total floor area of all the homes in the plot, that apartment will be charged 0.30% of the total plot charge.

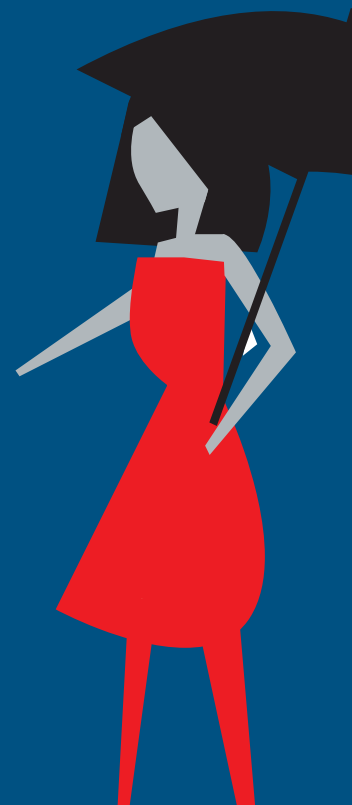
The apportionments applicable to your home will be displayed on all service charge schedules you receive.

How to pay your service charges

Your lease or tenancy agreement says you have to pay your service charge based on the estimate you receive. If you do not pay your service charge you will be in breach of your lease or tenancy agreement and this may result in you losing your home.

The following methods of payment are available:

- Direct debit
- Payment card
- Credit card/debit card
- Standing order
- Online payment





Service charge items

PLOT charges

These costs are divided between all the homes within each plot on East Village and include work carried out to grounds and shared areas that serve the entire plot. Some of these services are paid for within social rents, which is why they are not also within the service charge.

Service charge item	Explanation	Tenant	Home Owner
Management and staffing	The costs of East Village Management Limited's (EVM) staffing that support and deliver the management services to the plot.	✓	✓
Grounds maintenance	This covers the cost of maintaining external areas on your plot and any gardening work such as grass cutting, pruning shrubs, weeding, flowerbeds, planting, the sweeping and maintenance of hard landscaping and footpaths, the maintenance of refuse and bike stores and litter picking.	✓	✓
General repairs	This covers the cost of any general repairs that need to be carried out to the external communal areas of your plot.	✓	✓
Refuse management	This covers the cost of managing the refuse and recycling bins in the refuse areas and the removal of bulk rubbish.	✓	✓
Health & safety assessment	This covers the cost of health and safety risk assessments, which are a statutory requirement.		✓
Pest control	This covers the cost of pest control in the communal areas in your plot.	✓	✓

PLOT charges

Utilities – electricity	This covers the cost of providing external lighting on the plot including courtyards, parking areas, bike stores and refuse store areas. This includes the metered electricity costs charged by the electricity supply company, and the cost of replacing any outside light bulbs on the external communal areas of the plot.	✓	✓
Utilities – water	This covers the cost of supplying the water for all cleaning and washing of communal areas. This is not a charge for the supply of water to your home.	✓	✓
CCTV maintenance & repairs	This covers the cost of maintenance and repairs to the CCTV security systems in your plot.	✓	✓
Building management system	This covers the cost of maintaining the building management system which is equipment used to monitor and control various mechanical and electrical services such as pumps, lifts and fire safety systems.	✓	✓
TV aerial maintenance & repairs	This covers the cost of the communal TV/Radio satellite systems installed to serve all homes in your plot. This is separate to any fees you pay to providers for subscriptions to particular services.	✓	✓
Cleaning	This covers the cost of cleaning and maintaining the external communal areas in your plot.	✓	✓
Roads and paths maintenance & repairs	This covers the cost of maintenance and repairs to the roads and footpaths in the external communal areas of your plot.		✓
Fire maintenance and repairs	This covers the cost of maintaining and repairing the fire equipment in your plot.	✓	✓



PLOT charges

Caretaker/ concierge services	This covers the cost of providing a handyman service that will inspect and carry out minor non-technical repairs to your plot, and a village-wide centralised office for the management and security of parcels, post and deliveries for all residents at East Village.	✓	✓
Buildings insurance	This covers the cost of insuring the entire fabric, structure and communal areas of the plot, including your property.		✓
Audit fee	This covers the cost of getting the service charge accounts audited by qualified independent auditors.	✓	✓
Fire risk assessment	This covers the cost of fire risk assessments, which are a statutory requirement.		✓
Drainage maintenance & repairs	This covers the cost of maintenance and repairs to the drainage system in the communal areas of your plot.		✓
Water systems treatment	This covers the cost of treatment of water systems in your plot.	✓	✓
Water pump maintenance	This covers the cost of maintenance of water pumps in your plot.	✓	✓
Lightning conductor maintenance	This covers the cost of maintenance of lightning conductors in your plot.	✓	✓
Communal boiler maintenance & repairs	This covers the cost of maintenance and repairs to the communal boiler in your plot.		✓
Electrical Periodic testing	The covers the cost of electrical periodic testing in your plot.		✓



PLOT charges

Roof maintenance & repairs	This covers the cost of maintenance and repairs to the roof of your plot.		✓
Safety harness system maintenance & repairs	This covers the cost of maintenance and repairs to the safety harness system of your plot.	✓	✓
Window cleaning	This covers the cost of cleaning all communal windows (both internally and externally).	✓	✓
Façade inspection	This covers the cost of inspecting the condition of the façade (external covering) of the buildings in your plot.	✓	✓
Entry phone maintenance & repairs	This covers the cost of maintenance and repairs to the entryphone system accessing the buildings and external communal areas of your plot.	✓	✓
EVM Management Fee	The cost of EVM's managing agent's fee relating to the management of the Plot communal areas and services.	✓	✓
Reserve fund	This fund is held by the East Village Management Ltd to build up a reserve of money which can pay all or some of the cost of future major repairs and improvements to the plot. The money is collected from homeowners only and paid into a Trust account whereby the money earns interest that stays in the reserve fund. Items normally paid for from the fund include planned and replacement works, resurfacing of paths and roads, bike store and bin store areas, gates, CCTV equipment etc.		✓
Depreciation	This is a cost for social rented tenants for the depreciation and replacement of certain items in the external communal areas such as lighting, CCTV and security equipment, entry system and gates.	✓	



Service charge items

BLOCK charges

These costs are divided between all the homes within each block within your plot on East Village and include works carried out to the internal communal areas.

Service charge item	Explanation	Tenant	Home Owner
Management and staffing	The costs of the East Village Management Company's (EVM) staffing that support and deliver the management services of the Block.	✓	✓
Cleaning	This covers the cost of cleaning and maintaining the internal communal areas in your block.	✓	✓
Caretaker/ concierge services	This covers the cost of providing a handyman service that will inspect and carry out minor non-technical repairs to your block.	✓	✓
General repairs	This covers the cost of any general repairs that need to be carried out to the block.	✓	✓
Health & safety assessment	This covers the cost of health and safety risk assessments which are a statutory requirement.		✓
Lift maintenance & repairs	This covers the cost of maintenance, servicing, repairs, provision of telephones lines and insurance of lifts. This excludes the electricity to power the lifts.	✓	✓
Lift telephone	This covers the cost of the provision of telephones lines to the lifts in your block.	✓	✓

BLOCK charges

Lift Insurance	This covers the cost of East Village Management's staffing that support and deliver the management services to the block.	✓	✓
Utilities – electricity	This covers the cost of providing internal electricity in your block including lighting, power points, lifts, door entry systems, CCTV.	✓	✓
Utilities – communal heating	This covers the cost of providing heating to the internal communal areas. This is not a charge for the supply of heat to your home.	✓	✓
Entry phone maintenance & repairs	This covers the cost of servicing, maintaining and repairing the door entry system.	✓	✓
Fire maintenance & repairs	This covers the cost of maintaining and repairing the fire equipment.	✓	✓
Block communal contents insurance	This covers the cost of insuring any non-fixed contents such as artwork, furniture, etc.		✓
Communal boiler maintenance & repairs	This covers the cost of maintenance and repairs to the communal boiler in your block.		✓
Emergency lighting maintenance & repairs	This covers the cost of maintenance and repairs to the emergency lighting in your block.	✓	✓
Dry Riser maintenance	This covers the cost of maintenance of the dry risers in your block.	✓	✓



BLOCK charges

Electrical Periodic testing	The covers the cost of electrical periodic testing in your block.		✓
CCTV maintenance & repairs	This covers the cost of maintenance and repairs to the CCTV security systems in your block.	✓	✓
Pest Control	This covers the cost of pest control in the internal communal areas in your block.	✓	✓
Fire risk assessment	This covers the cost of fire risk assessments, which are a statutory requirement.		✓
EVM Management Fee	The cost of the EVM's managing agent's fee relating to the management of the block communal areas and services.	✓	✓
Reserve fund	This fund is held by the East Village Management Company to build up a reserve of money which can pay all or some of the cost of future major repairs and improvements to the Block. The money is collected from homeowners only and paid into a Trust account whereby the money earns interest that stays in the reserve fund. Items normally paid for from the fund include planned and replacement works such as flooring, doors, lighting, windows, lifts, door entry systems, CCTV equipment, roof and redecoration.		✓
Depreciation	This is a cost for social rented tenants for the depreciation and replacement of certain items in the internal communal areas such as flooring, doors, lighting, lifts, door entry systems, CCTV equipment.	✓	

Management and administration fees

Management fees (for home owners only)

We charge a management fee to cover all the costs involved in providing management services at East Village. This includes your share of general expenses such as:

- Offices, wages and office expenses
- The cost of billing and collecting service charges
- The cost of monitoring evm's performance
- Staff time in answering resident queries and dealing with general east village matters.
- Staff costs for our leasehold services team
- Other costs for those staff (including pension costs)
- Staff training costs
- Computer systems
- Telephone support
- Plot and block inspections
- Setting up service charge accounts
- Consulting with you (a statutory requirement)
- Newsletters and publications sent to homeowners.

Administration fee (for social rented tenants only)

We charge an administration fee to cover all the costs involved in administering the services you are charged for at East Village. This includes your share of expenses such as:

- Offices, wages and office expenses
- The cost of billing and collecting service charges
- The cost of monitoring EVM's performance
- The costs of receiving, calculating those service charge items that are recoverable from tenants
- Staff time in answering service charge related questions at East Village.
- Plot and block inspections
- Setting up service charge accounts
- Consulting with you (a statutory requirement)
- Service Charge administration and correspondence, newsletters and publications



Frequently asked questions

Does Triathlon Homes or East Village Management make a profit from service charges?

No. The amount of service charge you pay covers only the costs in providing these services to you and the cost of administration associated with this.

Do homeowners subsidise tenants at East Village?

No. Homeowners only pay for their home's share of the block and plot costs. Tenants do not pay a service charge on some shared block and plot cost items (for example, repairs, statutory assessments, etc) as the cost of these services is included within the rent they pay to Triathlon Homes. Their share of these service costs are not paid by homeowners through their service charge.

How can I challenge my service charge demand?

If you think the service charge is incorrect, you can challenge it by writing to us, either by email or post. Please make sure you include your address, and the item/s that you are disputing. Once we receive your letter or email we will consider your reasons for the challenge, check the costs and then decide whether to accept your challenge and, if necessary, amend the service charge accordingly.

What if I am still not satisfied?

If you have an issue with your service charge, in the first instance you should contact Triathlon Homes as we aim to sort out any queries and disputes in accordance with our customer standards. If you are unhappy with our reply, you can escalate your query via Triathlon's Complaints Policy. If you remain unhappy with the outcome, you have the right to challenge the particular service charge item/s you are unhappy with at a First Tier Tribunal – Property Chamber (Residential Property). A First Tier Tribunal provides an independent service for settling disputes between residents and landlords.





What should I do if I'm having problems paying?

If you are having problems paying for your service charges and rent, you should contact us straight away to explain your situation. We may be able to provide assistance to review your finances and consider a payment plan for you.

You must not ignore the situation as this could lead to court action and you could lose your home.

We may also be able to put you in contact with Welfare Benefits Advisors or direct you to the appropriate support services, such as the Citizens Advice Bureau and debt counselling agencies, who can give you general financial and benefits advice to help you make the most of your income. You can also phone the 24-hour National Debtline on 0808 808 4000.

Contact us

By telephone:

020 8522 2012

Monday to Friday 8:30am-8:30pm.

Saturday 9am – 12.30pm.

You can call the same number outside of these hours for emergencies.

In person:

East Village Management Office,
80 Celebration Avenue, London, E20 1DB

Opening hours:

Opening hours: The Triathlon Homes Team is available at the Village Management office Monday to Friday, 8:30am – 6pm and Saturday 9am-12.30pm.

On-line:

Email: info@triathlonhomes.com

Website: www.triathlonhomes.com





SUMMARY OF TENANTS RIGHTS AND OBLIGATIONS

To comply with legislation we have to include the following text with demands for service charges to tenants and leaseholders (home owners). The wording is fixed by law, and so we are not allowed to change it. By “tenants” we mean leaseholders and tenants that pay a variable service charge.

- 1) Service Charges Rights and Obligations
- 2) Administration Charges Rights and Obligations

(1). Service Charges-Summary of Tenants Rights and Obligations Part 2 of the Commonhold and leasehold reform act 2002.

Section 153 of the 2002 Act comes into force on the 1st October 2007 and it amends the Landlord and Tenant Act 1985 by inserting a new s.21b into that Act. This takes effect in England only; Welsh commencement will be later in the year.

1. This summary, which briefly sets out your rights and obligations in relation to variable service charges, must by law accompany a demand for service charges. Unless a summary is sent to you with a demand, you may withhold the service charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice
 2. Your lease sets out your obligations to pay service charges to your landlord in addition to your rent. Service charges are amounts payable for services, repairs, maintenance, improvements, insurance or the landlord’s costs of management, to the extent that the costs have been reasonably incurred.
 3. You have the right to ask a leasehold valuation tribunal to determine whether you are liable to pay service charges for services, repairs, maintenance, improvements, insurance or management. You may make a request before or after you have paid the service charge. If the tribunal determines that the service charge is payable, the tribunal may also determine:
 - **Who should pay the service charge and who it should be paid to**
 - **The amount**
 - **The date it should be paid by**
 - **How it should be paid**
- However, you do not have this right where –
- **a matter has been agreed to or admitted by you;**
 - **a matter has already been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the service charge or costs arose; or**
 - **a matter has been decided by a court.**
4. If your lease allows your landlord to recover costs incurred or that may be incurred in legal proceedings as service charges, you may ask the court or tribunal, before which those proceedings were brought, to rule that your landlord may not do so.
 5. Where you seek a determination from a leasehold valuation tribunal, you will have to pay an application fee and, where the matter proceeds to a hearing, a hearing fee, unless you qualify for a waiver or reduction. The total fees payable will not exceed £500, but making an application may incur additional costs, such as professional fees, which you may also have to pay.



6. A leasehold valuation tribunal has the power to award costs, not exceeding £500, against a party to any proceedings where:

- **It dismisses a matter because it is frivolous, vexatious or an abuse of process**
- **It considers a party has acted frivolously, vexatiously, abusively, disruptively or unreasonably**

The Upper Tribunal has similar powers when hearing an appeal against a decision of a leasehold valuation tribunal.

7. If your landlord:

- **Proposes works on a building or any other premises that will cost you or any other tenant more than £250**
- **Proposes to enter into an agreement for works or services which will last for more than 12 months and will cost you or any other tenant more than £100 in any 12 month accounting period**

Your contribution will be limited to these amounts unless your landlord has properly consulted on the proposed works or agreement or a leasehold valuation tribunal has agreed that consultation is not required

8. You have the right to apply to a leasehold valuation tribunal to ask it to determine whether your lease should be varied on the grounds that it does not make satisfactory provision in respect of the calculation of a service charge payable under the lease.

9. You have the right to write to your landlord to request a written summary of the costs which make up the service charges. The summary must:

- **Cover the last 12 month period used for making up the accounts relating to the service charge ending no later than the date of your request, where the accounts are made up for 12 month periods**
- **Cover the 12 month period ending with the date of your request, where the accounts are not made up for 12 month periods.**

The summary must be given to you within 1 month of your request or 6 months of the end of the period to which the summary relates whichever is the later.

10. You have the right, within 6 months of receiving a written summary of costs, to require the landlord to provide you with reasonable facilities to inspect the accounts, receipts and other documents supporting the summary and for taking copies or extracts from them.

11. You have the right to ask an accountant or surveyor to carry out an audit of the financial management of the premises containing your dwelling, to establish the obligations of your landlord and the extent to which the service charges you pay are being used efficiently. It will depend on your circumstances where you can exercise this right alone or only with the support of others living in the premises. You are strongly advised to seek independent advice before exercising this right.

12. Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.

(2). Commonhold and Leasehold Reform Act 2002: Section 158 Schedule 11 Administration Charges – Summary of tenant's rights and obligations

1. This summary, which briefly sets out your rights and obligations in relation to the administration charges, must, by law, accompany a demand for administration charges. Unless a summary is sent to you with a demand, you may withhold the administration charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.

2. An administration charge is an amount which may be payable by you as part of or in addition to the rent directly or indirectly –

- **for or in connection with the grant of an approval under your lease, or an application for such approval;**
- **for or in connection with the provision of information or documents;**
- **in respect of your failure to make any payment due under your lease; or**
- **in connection with a breach of a covenant or condition of your lease.**

If you are liable to pay an administration charge, it is payable only to the extent that the amount is reasonable.

3. Any provision contained in the grant of a lease under the right to buy under the Housing Act 1985, which claims to allow the landlord to charge a sum for consent or approval, is void.

4. You have the right to ask a leasehold valuation tribunal whether an administration charge is payable. You may make a request before or after you have paid the administration charge. If the tribunal determines the charge is payable, the tribunal may also determine –

- **who should pay the administration charge and who it should be paid to;**
- **the amount;**
- **the date it should be paid by; and**
- **how it should be paid.**

However, you do not have this right where –

- a matter has been agreed to or admitted by you;
- a matter has been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the administration charge arose; or
- a matter has been decided by a court.

5. You have the right to apply to a leasehold valuation tribunal for an order varying the lease on the grounds that any administration charge specified in the lease, or any formula specified in the lease for calculating an administration charge is unreasonable.

6. Where you seek a determination or order from a leasehold valuation tribunal, you will have to pay an application fee and, where the matter proceeds to a hearing, a hearing fee, unless you qualify for a waiver or reduction. The total fees payable to the tribunal will not exceed £500, but making an application may incur additional costs, such as professional fees, which you may have to pay.

7. A leasehold valuation tribunal has the power to award costs, not exceeding £500, against a party to any proceedings where-

- **- it dismisses a matter because it is frivolous, vexatious or an abuse of process; or**
- **- it considers that a party has acted frivolously, vexatiously, abusively, disruptively or unreasonably.**

The Upper Tribunal has similar powers when hearing an appeal against a decision of a leasehold valuation tribunal.

8. Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges, which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, a tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.

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