

Service charges at Stonewater



A guide for customers
who rent their home

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Glossary of terms

Before we get started, here are definitions for some of the key terms we use in this guide.

Service Charges

A service charge is the amount you pay (if applicable) for the delivery of services to your property or on your scheme.

Variable service charges

This means the amount you pay changes every year, depending on how much your services cost.

Fixed Service charges

This means the rent and service charge reviews are done at the same time and the estimated charge is final.

Accounting year

Usually a 12 month period, but this may differ depending upon your agreement with us.

Credit

If your service charge letter shows a credit balance bought forward, this means that the amount you have paid towards your service charges for the year is more than the actual amount spent and the credit will be carried forward into the next year.

Debit

If your service charge letter shows a debit balance bought forward, this means that the amount that you have paid towards your service charges for the year is less than the actual amount spent. You are liable for the additional costs under the terms of your agreement.

Reconciliation

This is what the process is called when we compare actual costs incurred against estimated costs.

Scheme

We group some of our properties into schemes, the scheme may have a name that differs from your road name or your personal address as this refers to a wider group of properties and addresses.

Introduction

We want to help you understand services charges at Stonewater so we've put together this handy guide to give you all of the information you need.

This information is for all Stonewater customers who rent their home to give you a general idea of service charges. It won't cover your specific charges and you'll be sent a summary of these separately.

What is a service charge and how do they work?

A service charge is the amount you pay (if applicable) for the delivery of services to your property or on your scheme. This may include things like cleaning, lighting, secure door entry, grounds maintenance, and the cost of managing these. The amount charged depends on the services provided.

The majority of Stonewater customers have a **'fixed'** service charge. This means the rent and service charge reviews are done at the same time and the estimated charge is final. Some customers have variable service charges, meaning that they will change each year depending on the amount spent on your scheme. You can find out what type of service charges you have by looking at your tenancy agreement.

At the beginning of your service charge year we will send you a letter showing your service charges for the coming year, this is called an estimate. Your service charges are calculated based upon how much we think we're going to spend during the upcoming year for the services you receive. We look at known servicing costs, contracts and previous year actual costs and as a result of this, your service charges may increase some years and decrease in others. Your service charges are applied to your account weekly along with your rent.

For some of our customers who hold an Affordable Rent tenancy with us, their rent is inclusive of all service charges and so they will not receive an estimate.

Service charge cycle - variable



- 1 Issue service charge estimate for year ahead including balance brought forward from reconciliation*
- 2 Pay as per estimate, charges added to account weekly alongside rent charges *Preferably by direct debit*
- 3 Reconcile account for previous year. As soon as possible after the end of the accounting year.

*After the annual rent review, which takes place in April each year, a separate letter named service charge review is issued, this will contain the reconciliation of accounts. A credit balance brought forward is if an underspend is identified at reconciliation or a debit balance brought forward is if an overspend has been identified at reconciliation

Service charge cycle - fixed

- 1 In April we send your service charge estimate for the year ahead, alongside your new rent charges.
- 2 Your charges are added to your account weekly alongside your rent charges and you pay as per the estimate. *Preferably by direct debit*
Your service charge will not change throughout the year based on the cost incurred to deliver services. This offers peace of mind with budgeting.

How do I pay?

Paying your rent and service charges is the most important payment you need to make.

We want to make it easy for you to pay your rent and service charges in whichever way suits you best and if you're struggling, we are here to help.

Ways to pay

The quickest and easiest way to pay is by logging into MyHome and setting up a secure online payment, wherever and whenever it's most convenient for you. MyHome also gives you access to lots of other services all in one place, such as viewing your account details and reporting repairs.



You can set up a Direct Debit by logging into your MyHome account. If you don't have access to the internet you can phone us on 01202 319 119 to set up your Direct Debit.

We can take card payments over the phone, just call us on **01202 319 119**.

If you're using Allpay, just have your payment reference number to hand. If you don't know what that is, contact us and we can tell you.

Pay online quickly and safely with Allpay via allpayments.net/Allpayments/Signin



By Allpay app – available on Apple or Android devices.

By text (Allpay)– register your details here allpayments.net/TextPay/Login

By phone (Allpay) on 0330 041 6497
This is an automated 24-hour service



Post Office or Paypoint- By payment card at a Post Office or

PayPoint outlet

Worried about paying your rent or service charges?

We want you to know that whatever financial hardship you find yourself in, we are here to help. Our team are here to support you, without judgement, but to do that we need you to talk to us.

If you're struggling and would like to speak to someone, please call us or email customers@stonewater.org

Rent and Service charge review letter explained

Date new charges are applicable from

I am writing to inform you that with effect from 1st April 2025 the rent you need to pay to Stonewater Ltd will change. Please read this letter carefully so that you know how much your new charges will be and when you should start paying them.

List of services provided to your scheme

	Your current charges	YOUR NEW CHARGES
Assured Rent	£102.63	£110.89
Balance bought forward*	£0.13	£0.12
Cleaning communal areas	£2.89	£3.01
Communal electric	£0.82	£0.74
Door entry maintenance	£0.52	£0.68
Grounds maintenance	£3.65	£3.89
Total charge per week	£110.64	£119.33

The variance from the previous year (if you have a variable service charge)

Your total weekly charge for this year

From 1st April 2025 your new charges will be £119.33

***If you have variable service charges**

Understanding your service charges

You can find an A-Z of our most common service charge terms below. You may not receive all of the services listed, the services you are charged for are set out on page one of this letter.

Administration Charge - Admin fees include the costs of running a service charges team, including the IT system, processing invoices, creation of statements, sending letters, communication, contract management, accounting, general overheads, debt recovery and consultation. This is charged at 15% of the relevant services.

Balance Brought forward - This applies to variable service charges only. This is the difference between what was estimated for the previous year and what the actual costs were. They can either be a credit or debit figure. For example, if the cost for communal repairs is estimated at £500 for the year and the actual costs are £700 this means there is an overspend of £200 which will be recovered through the balance brought forward.

Call System Maintenance - Repairing and maintaining the central call system.

Communal Cleaning - Cleaning in communal areas. This may include things like dusting, vacuuming and mopping.

Communal Repairs/Maintenance - Repairing and maintaining internal and external communal areas such as stairways.

Communal Electric - Electricity for communal areas.

Depreciation of Capital Items - Contributing towards the replacement cost of large items such as lifts and door entry systems where you live. This is depreciated over a number of years based on accounting principles.

Door Entry Maintenance - Maintaining and repairing the door entry system.

Electric - Individual - Electricity inside your home

Fire Equipment Maintenance - Maintaining fire equipment such as smoke alarms or emergency lighting.

Fixed service charges - Fixed service charges are set at the beginning of your service charge year based on an estimate. If the cost of delivering the service is more or less expensive than the estimate, what you pay doesn't change. Your tenancy agreement will confirm your rent and service charge to be reviewed in April every year to allow for easy budgeting.

Garage Charge - Charge for renting your garage.

Grounds Maintenance - Maintaining communal outside spaces owned by Stonewater. It does not generally include front gardens. This service depends on your scheme but can include litter picking, grass cutting, weed removal, weed spraying, shrub pruning and bedding, hedge trimming, leaf removal, sweeping and moss removal.

Heating - Communal - Heating for communal areas.

Heating - Individual - Heating inside your home.

Health & Safety - Health and safety management for your scheme including signage, hand sanitiser stations, asbestos management.

Lift and Adaptations Costs (Individual) - Maintaining and repairing accessibility equipment in your home i.e. stairlifts and/or hoists.

Understanding your service charges

continued...

Lift Repairs and Maintenance (Communal) - Repairing and servicing of lifts in communal areas.

Laundry Maintenance - Repairs and maintenance to any laundry facilities.

Management Company - Third party management of the scheme.

Pest Control - The removal of pests such as mice, squirrels or wasps

Refuse Disposal - Fly tipping and bulk item removal, which is split between all properties at the scheme, unless we are provided with evidence of the person/people responsible for the fly tipping.

Retirement Living Costs - Cost of on-site colleagues in retirement living schemes

Scheme - We group some of our properties into schemes. The scheme may have a name that differs from your road name or your personal address as this refers to a wider group of properties and addresses.

Scheme Computer & Telephony - Telephone, Broadband in scheme office and Wi-Fi in the communal area.

Security System Maintenance - Cost of maintaining CCTV and other security features such as alarm systems as well as cost of security personnel.

Service Charges - A service charge is the amount you pay (if applicable) for the delivery of services to your property or on your scheme.

Sewage System Maintenance - Maintenance and waste disposal for septic tanks and cesspools.

Support Costs – Sheltered - Extra support for residents which includes regular visits from staff. This service has replaced Careline.

Supported Housing Staff Costs - Cost of on-site colleagues in supported housing schemes.

TV Aerial Maintenance - Repairs and maintenance to TV aerials installed by Stonewater.

TV Licence - TV licence for the provision of Freeview television services in communal areas and shared lounges as required by law.

Variable Service Charges - Unlike a fixed service charge, if the cost of the services you're paying for goes up or down, the charge is changed so you pay the actual cost of the service. Customers who are currently on a variable service charge do have the option to switch to fixed to provide them with greater security of costs for budgeting.

Water - Communal - Water for communal areas.

Water – Individual - Water inside your home.

Water System Testing - Water system testing to prevent legionella from forming in the pipes as required by law.

Window Cleaning - External window cleaning for the communal areas in your block or scheme.

Window Cleaning - Individual - External window cleaning for the windows for your property.

Service charge FAQs

What is a Service Charge?

A service charge is the amount you pay (if applicable) for the delivery of services to your property or on your scheme. This may include things like cleaning, lighting, secure door entry, grounds maintenance, and the cost of managing these. The amount charged depends on the services provided.

How do Service Charges work?

At the beginning of your accounting year, we will send you a service charge estimate. Your estimate is a calculation of how much we think we're going to spend during the upcoming year based on the services you receive. We calculate the estimates based on known servicing costs, contracts and prior year actual costs. The estimate for the year is usually applied to your account weekly. Your estimate may increase some years and decrease in others.

What is a reconciliation and when will it be done?

As soon as practical, after the financial year has ended, we review the accounts to understand the difference between what we estimated we would spend and what we actually spent. This will determine if there is an underspend, meaning we collected too much money, or overspend, meaning we didn't collect enough money. This is called a reconciliation of account. If there is an underspend a credit will be applied to your account but if there is an overspend, then a debit balance will be applied to your account which may mean you need to increase your monthly payments to cover the cost. We'll spread any debit applied to your account over the remainder of the accounting year. Your weekly charge will be adjusted to cover this credit or debit.

What is the balance brought forward?

This applies to variable service charges only. This is the difference between what was estimated for the previous year and what the actual costs were and they can either be a credit or debit figure. For example, If the cost for communal repairs is estimated at £500 for the year and the actual costs are £700 this

means there is an overspend of £200 which will be recovered through the balance brought forward. If there is an underspend a credit will be carried forward into the next financial year through the balance brought forward. If there is an overspend then a debit balance will be carried forward into the next financial year through the balance brought forward.

What is the difference between fixed and variable service charges?

The majority of our customers have a 'fixed' service charge. The rent and service charge reviews are done at the same time and the estimated charge is final whether we've underestimated or overestimated. You will not be asked to pay if the actual costs are more than the estimate.

A variable service charge is reviewed once a year, this usually happens after your rent review. We review the accounts to understand the difference between what we estimated we would spend and what we actually spent, this will determine if there is an underspend, meaning we collected too much money or overspend meaning we didn't collect enough money. If there is an underspend a credit will be carried forward into the next financial year through the balance brought forward, however, if there is an overspend then a debit balance will be carried forward into the next financial year via the balance brought forward. This process is called a reconciliation of account.

You can refer to your agreement for more information on whether you have fixed or variable service charges.

If you are currently on a variable service charge and would like to move to a fixed service charge, please call us on 01202 319 119 or email servicechargequeries@stonewater.org to find out more information.

Why do my neighbours have different service charges to me?

Your service charges are set based upon your agreement with us, your neighbour's agreement may be different to yours so may vary.

Service charge FAQs *continued...*

Why do I have new service charges this year compared to previous years?

This is likely to be because we've introduced a new service to your scheme. From time to time we may look to add or remove services to your scheme to ensure we are delivering the best possible service to you and we will do this in line with the terms of your tenancy agreement with us.

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

Service charges are split (apportioned) depending on what is specified in your tenancy agreement and the services being provided to your scheme. For example, this could be based upon a percentage, or the number of properties that benefit from the service being provided. If you would like further information as to how your service charges are apportioned, please contact us on 01202 319 119 or servicechargequeries@Stonewater.org

How can I tell what services I am receiving?

The services provided to your scheme can be found on the service charge summary or rent review letter you receive annually. Depending on the type of agreement you have with us, you may be able to see a breakdown of the charges in MyPayments on MyHome. Click on the total weekly/monthly charge to see the individual charges.

Why do I pay for Grounds Maintenance?

The grounds maintenance in your service charge relates to the maintenance of the shared outdoor spaces where you live. This covers areas that are owned by Stonewater and can include grass, trees, shrubs and paved areas. The charge is shared fairly between all Stonewater customers who live on the scheme irrelevant of whether they own or rent their home.

Whats does it mean if I am on an 'Affordable Rent'?

This means that your rent is set at 80% of the market value and you don't pay a separate service charge. Your rent is inclusive of any services provided to your scheme or property,

however these services may show separately in notifications.

I do not believe I receive one of the listed services or that the service is being completed as it should be, what should I do?

We know we don't always get things right and we're sorry if, on occasion, you feel let down by our services. If something should be delivered in your home or neighbourhood, but isn't, please report via our website it so we can fix it. Visit bit.ly/SW_EstateServices

If you think you're being charged for something incorrectly, please let us know on our website so that we can look into it for you.

How can I pay my Service Charges?

Service charges should be paid in advance, preferably by direct debit. The Income team deal with all payments and are able to set up a direct debit for you over the phone on 01202 319 119. The easiest way to pay your service charges is through MyHome. If you would like to pay online, or set up a new direct debit, please visit myhome.stonewater.org.

If you pay by direct debit, we will adjust your direct debit each year as your estimate/bill changes. If you pay by any other method, then it is your responsibility to amend your payments to ensure that your account doesn't fall into arrears.

Housing Benefit and Universal credit

If you are in receipt of Housing Benefit or Universal Credit, some service charges will be covered via this payment, whilst others are classed as ineligible and therefore not covered, meaning you are responsible for paying these charges. Eligible charges are usually those which relate to services carried out in communal areas of the property, such as communal cleaning. Personal charges/services, such as individual heating, water and electricity would be classed as ineligible and wouldn't be covered. If you would like further information on eligible and ineligible service charges, please contact us on 01202 319 119.

Help and support

If you have any questions about your service charges, please call us and we'll be happy to help you.

If you would like to receive a breakdown of your service charges please email servicechargequeries@stonewater.org



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