Mount Green
HOUSING ASSOCIATION

ESTATE CHARGES AT MOUNT GREEN

A GUIDE FOR RESIDENTS WHO OWN THEIR HOME FREEHOLD

Contents

Glossary of terms

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

Estate charges
An estate charge is the amount you pay (if applicable) for the delivery of services on your scheme.

Variable charges
This means the amount you pay changes every year, depending on how much your services cost. All estate charges for residents who own their home freehold are classed as variable.

Accounting year
Usually a 12 month period, but this may differ depending upon your transfer documents with us.

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

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 estate charges at Mount Green so we've put together this handy guide to give you all of the information you need.

This information is for all Mount Green residents who own their home freehold to give you a general idea of estate charges. It won't cover your specific charges and you'll be sent a summary of these separately.

What are estate charges and how do they work?

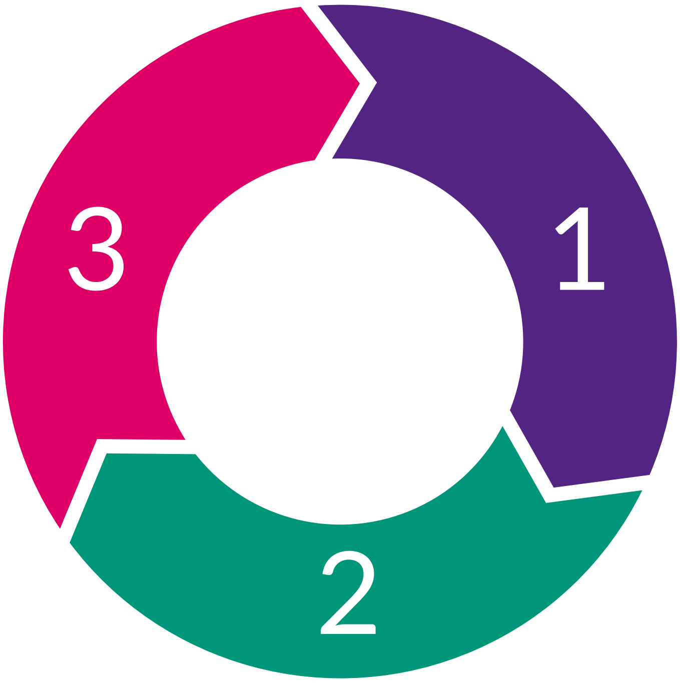
An estate charge is the amount you pay (if applicable) for the delivery of services on your scheme. This may include things like grounds maintenance, refuse disposal, lighting, general repairs and maintenance and the cost of managing these. The amount charged depends on the services provided. You can find more information on your estate charges in your transfer documents.

At the beginning of your accounting year we'll send you an estate 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 costs, contracts and the previous year's actual costs. The estimate for the year is usually applied to your account in twelve monthly amounts but this may differ depending upon your transfer documents.

As soon as practical, after the accounting period has ended, we review the accounts to understand the difference between what we estimated we would spend and what we actually spent. We use this information to see if there's an underspend - meaning we collected too much money from you, or an overspend - meaning we didn't collect enough money. This is called a reconciliation of account.

If there is an underspend a credit will be be applied to your account. If there is an overspend, then a debit balance will applied to your account which may mean you need to increase your monthly payments to cover the cost. Your transfer documents will outline how and over what time you are required to pay this.

Estate charge cycle



1. We send you your estate charge estimate and you pay monthly in advance by direct debit.

2. We reconcile our accounts and find out if you’ve over or underpaid for your services for the year.

3. We apply a credit to your account if you’ve overpaid, or a debit if you’ve underpaid.

How do I pay?

Paying your estate charges is important and we want to make it easy for you to pay in whichever way suits you best. If you're struggling, we are here to help.

Ways to pay

We offer a number of ways to pay:

DIRECT DEBIT	PAY ONLINE WITH ALLPAY	ALLPAY PAYMENT CARD OR APP

To find payment links or further information please visit the 'pay rent' page on our webiste: https://www.mountgreen.org.uk/resident-services/pay-rent/#pay-online

Worried about paying your rent or estate 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 customerservices@mountgreen.org.uk and ask for our Income Officer.

Estate charge summary explained

List of services provided to your scheme

How much was actually spent the previous year

Comparison between the estimate and actual

Services provided to all properties

Service Category	Estimate 23/24	Actual 23/24	Variance 23/24	Estimate 24/25
General repairs and maintenance	£1,000.00	£0.00	-£1,000.00	£1,000.00
Common area costs	£0.00	£0.00	£0.00	£0.00
Flytipping	£1,000.00	£150.09	-£849.91	£1,000.00
Health and safety costs	£500.00	£0.00	-£500.00	£500.00
Grounds maintenance	£7,920.00	£8,048.88	£128.88	£7,920.00
Tree works	£1,000.00	£0.00	-£1,000.00	£1,000.00
Planned and cyclical works	£0.00	£43,750.00	£43,750.00	£0.00
Management charge	£14,350.00	£14,350.00	£0.00	£14,350.00
Total Expenditure	**£25,770.00**	**£66,298.97**	**£40,528.97**	**£25,770.00**

Divided by number of properties on the scheme: 175 *Number of properties these services apply to*

Individual property share	**£147.26**	**£378.85**	**£231.59**	**£147.26**

Overcharge/Undercharge from last year	**£231.59**
Estimate for this year	**+£147.26**
Total estimate charge	**£378.85**

The variance from the previous year

Estimated share of the total expenditure

Your total for this year

Your share of the total cost broken down for each section

Understanding your service charges

You can find an A-Z of our most common estates 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.

Admin fee - Admin fees include the costs of running an estate charges team, including the IT system, processing invoices, creation of statements, sending letters, communication, 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.

Communal repairs and maintenance - Repairing and maintaining internal and external communal areas such as stairways.

Communal water – Water for communal areas.

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.

Estate charges - An estate charge is the amount you pay (if applicable) for the delivery of services or on your scheme.

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

Understanding your service charges *continued...*

Grounds maintenance - Maintaining communal outside spaces owned by Mount Green. 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.

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.

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.

Security system maintenance - Cost of maintaining CCTV and other security features such as alarm systems.

Sewage system maintenance - Maintenance and waste disposal for septic tanks and cesspools.

TV aerial maintenance - Repairs and maintenance to TV aerials installed by Mount Green.

Variable service charges - 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. All estate charges for residents who own their home freehold are classed as variable.

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

Estate charge FAQs

What is an estate charge?

An estate charge is the amount you pay (if applicable) for the delivery of services on your scheme. This may include things like grounds maintenance, refuse disposal, lighting, general repairs and maintenance and the cost of managing these. The amount charged depends on the services provided.

How do estate charges work?

At the beginning of your estate charge year we will send you an estate 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 in twelve monthly amounts. 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 a 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 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. The credit or debit will show as a manual adjustment on your account.

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

Estate charges are split depending on your property type, what is specified in your lease or transfer documents 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. You can normally see the split for charges on your estate charge summary. If you would like further information as to how your estates charges are split, please contact us on 01372 379555 or via email customerservices@mountgreen.org.uk.

I have received a letter with the incorrect road name on the estate charge summary

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

I have had charges applied to my account following a reconciliation for a period of time before I owned my property?

If you purchase part way through an accounting year you may be liable for charges not yet demanded, even if they relate to a period prior to your purchase. In such circumstances your conveyancer/solicitor would normally arrange for the seller to set aside some money to cover their part of the period (usually called a retention or retainer), so you may wish to speak to them to see if this took place and for more information.

Estate charge FAQs *continued...*

How can I tell what services I am receiving?

The services provided to your scheme can be found on the estate charge summary or rent review letter you receive yearly.

Why do I pay 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 Mount Green and can include grass, trees, shrubs and paved areas. The charge is shared fairly between all Mount Green residents who live on the scheme.

What is my management fee for?

The management fee includes our costs of preparing and setting budgets at the start of the financial year, managing the estate charge accounts throughout the year and preparing the year end accounts including issuing your estate charge statement. It also includes the costs of managing and monitoring service contracts such as grounds maintenance and communal cleaning.

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 so we can fix it. Visit https://www.mountgreen.org.uk/contact-us/.

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

How can I pay my estate charges?

Estate charges should be paid in advance each month, 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 01372 379555. If you would like to pay online, or set up a new direct debit, please https://www.mountgreen.org.uk/resident-services/pay-rent/

If you pay by direct debit, we will adjust your direct debit each year as your estimate/bill changes and when your reconciliation takes place. If you pay by any other method, then it is your responsibility to amend your payments accordingly to ensure that your account does not fall into arrears.

Housing Benefit and Universal Credit

If you are in receipt of Housing Benefit or Universal Credit, some estate 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 therefore would not be covered. If you would like further information on eligible and ineligible estate charges, please contact us on 01372 379555.

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