



Guide to
understanding your
Service Charge Budget



Understanding your Service Charge Budget

The Service Charge Budget tells you what costs we are expecting to incur at your court for the forthcoming year. These estimated costs are split between all applicable properties over a 52 week period to calculate your weekly charge.

The Service Charge Budget will provide a comparison of the current year's budget and also the budget for next year. This is so that you can see where there are differences in the charges for each year.

- 1 **Service charge costs** – confirms the name of your court and identifies the relevant year for the current and following year's budget.
- 2 **Court manager service** – these are the costs associated with your court manager service.
- 3 **Repairs of the communal areas** – this covers the cost of repairing and maintaining items in the communal areas such as the central control alarm systems, service contracts for door entry systems, laundry equipment, communal and external lighting etc.
- 4 **Utilities (communal area)** – this covers all bills as listed for communal areas such as the lounge and laundry.
- 5 **Gardening** – this is the cost of the contracted service plus any additional works such as cutting back trees.
- 6 **Cleaning** – this is the cost of cleaning the communal areas on the court, either for a contracted service or for the costs of paying a cleaner employed by the court. Cleaning material costs are also included here.
- 7 **Other costs** – this covers various costs on a court. There may be some purchases for the court under service charge purchases that are not covered elsewhere, for example lock fittings in communal areas. Some courts opt to pay the communal lounge TV Licence via the service charge. The cost of a coin phone box may also be included here.
- 8 **Core support costs** – these costs only relate to services provided on Extra Care courts and cover the costs of providing 24 hour support on site.
- 9 **Renewal of communal assets** – this is a contribution towards future major repairs of the building. For renters the contribution is for the replacement of fire alarm system, emergency lighting and lifts only.
- 10 **Administration** – the fixed management charge covers costs incurred by Housing 21 in managing the services provided on the court.
- 11 **Income** – this shows any income received for the listed items on the court such as income from the use of the guest room.
- 12 **(Surplus)/Deficit brought forward from previous year** – because we operate variable service charges, at the end of March each year we review what expenditure has been spent at your court and compare this to what we have charged you. If the expenditure exceeds the charges then this is a deficit and this is added to your total service charge in the following year. If the charges exceed the expenditure this is a surplus. This is then deducted from your total Service Charge Budget in the following year.
- 13 **Total service charge expenditure** – this shows the total amount budgeted for each year. It will also identify the number of properties and the weekly service charge payable per property per week.

You can influence the cost of your service charge in various ways, from being mindful of your energy use, to getting involved in decisions around gardening specification and choice of contractors at your court. We also keep a close eye on your court service charge, and work to develop relationships with good local repairs and maintenance contractors to ensure value for money.

14 Support costs – this covers the costs incurred for housing related support services on your court. This includes both an element of staffing costs and the central alarm monitoring costs. It will identify the total amount to be collected and the cost per property per week.

15 Utility dwelling charges – this item relates to the utility costs for residents' properties where Housing 21 pays the bill on your behalf. The income received from you and any resulting surplus or deficit is also shown. Where you pay your own bills, this section will show £0.00.

N.B. we calculate two utility charges – one for small dwellings and one for large dwellings.

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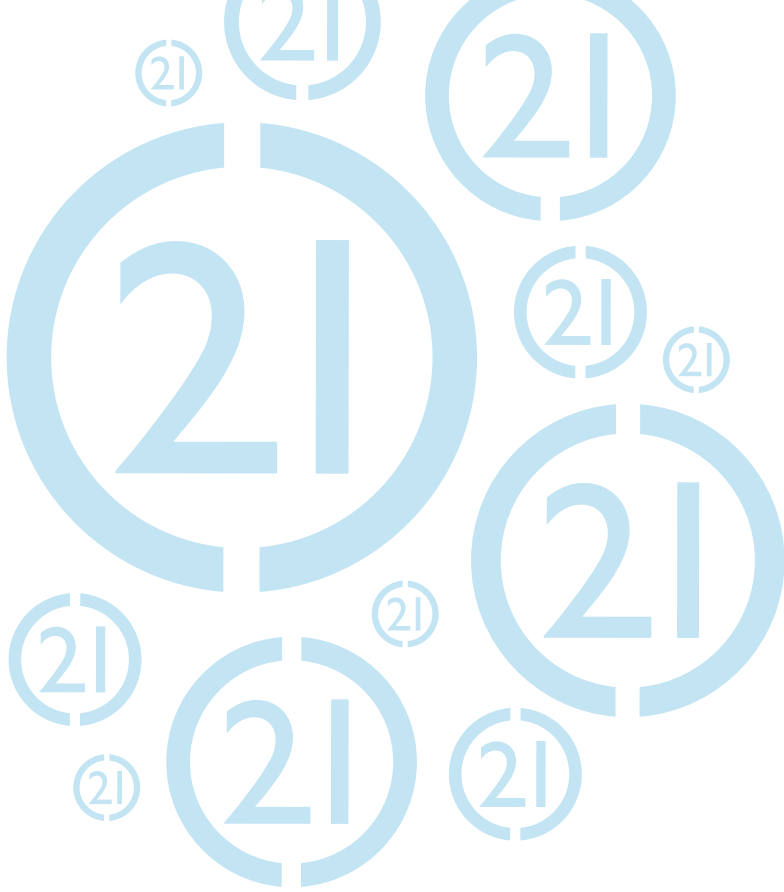
DISCUSSION DRAFT

4132 - Joe Bloggs Court Tenure : Extra Care - Rented		Budget 2020/21	Budget 2019/20	Variance
This budget sets your Service, Support and Income				
SERVICE CHARGE COSTS				
1	4132 - Joe Bloggs Court Tenure : Extra Care - Rented			
This budget sets your Service, Support and Income				
SUPPORT COSTS				
2	Court Manager Service			
Staffing and Associated Costs (See Note 1)				
3	Repairs of Communal Areas			
Repair Costs				
Maintenance Costs				
Lift Costs				
4	Utilities for Communal Areas			
Water Rates				
Gas Costs				
Electricity Costs				
5	Gardening			
Gardening, gritting and other ground maintenance				
6	Cleaning			
Cleaning Costs of Communal Areas				
Window Cleaning Costs				
Cleaning Materials Costs				
7	Other Costs			
Sundry Purchases				
TV Licence for Communal Areas				
8	Core Support Service			
Staff Costs				
9	Renewal of Communal Assets			
Contribution to Sinking Funds				
10	Administration			
Management Charges				
11	Income			
Guest room Income				
Other Service Charge Income				
12	(Surplus)/Deficit brought forward			
13	Total Service Charge Expenditure			
Number of properties				
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DISCUSSION DRAFT

4132 - Joe Bloggs Court Tenure : Extra Care - Rented		Budget 2020/21	Budget 2019/20	Variance	
SUPPORT COSTS					
Support Staffing Costs (See Note 2)		9,423	8,933	(490)	
Central Alarm Monitoring Repair and Maintenance Costs		6,398	7,672	1,275	
Total Support Expenditure		15,821	16,605	784	
(Surplus)/Deficit brought forward from previous year		687	2,358	1,671	
Total Support Expenditure to be collected		16,508	18,963	2,455	
Number of properties		124 (2020/21), 124 (2019/20)			
SUPPORT CHARGE PER PROPERTY PER WEEK		£2.56	£2.94	£0.38	
COSTS OF UTILITIES FOR YOUR OWN HOME					
Residents Proportion - Gas Cost		28,730	35,972	7,242	
Residents Proportion - Water Cost		33,000	31,520	(1,480)	
Total Residents Utilities Expenditure		61,730	67,492	5,762	
(Surplus)/Deficit brought forward from previous year		(16,935)	(17,930)	(995)	
Total Residents Utilities Expenditure to be collected		44,795	49,562	4,767	
Number of properties - small dwelling		17 (2020/21), 17 (2019/20)			
Number of properties - large dwelling		107 (2020/21), 107 (2019/20)			
RESIDENT UTILITY CHARGE PER WEEK - SMALL DWELLING		£5.40	£5.97	£0.57	
RESIDENT UTILITY CHARGE PER WEEK - LARGE DWELLING		£7.19	£7.96	£0.77	
TOTAL COSTS					
TOTAL CHARGE PER WEEK - SMALL DWELLING		£52.43	£53.10	£0.67	
TOTAL CHARGE PER WEEK - LARGE DWELLING		£54.22	£55.09	£0.87	
NOTES					
Breakdown of Court Manager Service Costs					
Court Manager Pay Costs (includes Salary, NI, Pension, Other Benefits)		58,253	54,544	(3,710)	
Court Office Costs		4,567	5,008	440	
Total		62,821	59,551	(3,270)	
Note 1. Court manager service attributed to housing & estate management and payable within your service charge.		70%	43,975	41,686	(2,289)
Note 2. Court management service attributed to support services and payable within your support charge		15%	9,423	8,933	(491)
Court management service attributed to rent and payable by Housing 21		15%	9,423	8,933	(491)



If you have any queries regarding your Service Charge Budget you should speak to your Court Manager, Housing Manager or Housing and Care Manager in the first instance. Alternatively, you can contact the Housing 21 Resident Charges Team:

Telephone: 0370 192 4040 (Choose option 3)

Email: residentchargesteam@housing21.org.uk

Housing

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