

Housing 

# Guide to understanding your Service Charge Budget

2024/25



# 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.
- 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.

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.

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.

**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.

**14 Support costs** – this covers the costs incurred for housing related support services on your court. This includes both an element of employee costs and the central alarm monitoring costs. It will identify the total amount to be collected and the cost per property per week. Please note this is separate to the core support charge for which you will be charged separately, if applicable.

**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.

Date printed : 07/11/2023 07:49

**DISCUSSION DRAFT**

	0000 - Sample Court	Budget 24/25	Budget 2023/24	Variance
1	This budget sets your Service, Support and F			
	<b>SERVICE CHARGE COSTS</b>			
2	<b>Court Manager Service</b> Staffing and Associated Costs (See Note 1)			
3	<b>Repairs of Communal Areas</b> Repair Costs Maintenance Costs Lift Costs			
4	<b>Utilities for Communal Areas</b> Water Rates Gas Costs Electricity Costs			
5	<b>Gardening</b> Gardening, gritting and other ground maintenance			
6	<b>Cleaning</b> Cleaning Costs of Communal Areas Window Cleaning Costs Cleaning Materials Costs Gutter Cleaning Costs			
7	<b>Other Costs</b> Sundry Purchases TV Licence for Communal Areas			
8	<b>Renewal of Communal Assets</b> Contribution to Sinking Funds			
9	<b>Administration</b> Management Charges			
10	(Surplus)/Deficit brought forward from p			
11	Total Service Charge Expenditure to be			
12	Number of properties			
13	Date printed : 07/11/2023 07:49			

  

	0000 - Sample Court	Budget 24/25	Budget 2023/24	Variance
	<b>SUPPORT COSTS</b>			
	Support Staffing Costs (See Note2)			
	Central Alarm Monitoring Repair and Maintenance Costs	11,465	10,367	(1,098)
		4,888	7,058	2,170
	<b>Total Support Expenditure</b>	<b>16,353</b>	<b>17,425</b>	<b>1,072</b>
	(Surplus)/Deficit brought forward from previous year			
	Total Support Expenditure to be collected	958	1,380	422
	Number of properties	17,311	18,805	1,494
	48 (24/25 ), 48 (2023/24)			
	<b>SUPPORT CHARGE PER PROPERTY PER WEEK</b>	<b>£6.94</b>	<b>£7.53</b>	<b>£0.59</b>

  

	0000 - Sample Court	Budget 24/25	Budget 2023/24	Variance
	<b>COSTS OF UTILITIES FOR YOUR OWN HOME</b>			
	Residents Proportion - Gas Cost	28,865	48,923	20,058
	Residents Proportion - Water Cost	9,296	8,854	(442)
	<b>Total Residents Utilities Expenditure</b>	<b>38,161</b>	<b>57,777</b>	<b>19,616</b>
	(Surplus)/Deficit brought forward from previous year			
	Total Residents Utilities Expenditure to be collected.	13,419	4,280	(9,139)
	Number of properties - small dwelling	51,580	62,057	10,477
	13 (24/25 ), 13 (2023/24)			
	Number of properties - large dwelling			
	35 (24/25 ), 35 (2023/24)			
	<b>RESIDENT UTILITY CHARGE PER WEEK - SMALL DWELLING</b>	<b>£16.62</b>	<b>£20.00</b>	<b>£3.38</b>
	<b>RESIDENT UTILITY CHARGE PER WEEK - LARGE DWELLING</b>	<b>£22.17</b>	<b>£26.67</b>	<b>£4.50</b>

  

<b>TOTAL COSTS</b>				
	<b>TOTAL CHARGE PER WEEK - SMALL DWELLING</b>	<b>£105.27</b>	<b>£104.53</b>	<b>(£0.74)</b>
	<b>TOTAL CHARGE PER WEEK - LARGE DWELLING</b>	<b>£110.82</b>	<b>£111.20</b>	<b>£0.38</b>

  

<b>NOTES</b>					
<b>Breakdown of Court Manager Service Costs</b>					
	Court Manager Pay Costs (includes Salary, NI, Pension, Other Benefits)	74,938	67,480	(7,458)	
	Court Office Costs	1,496	1,635	139	
	<b>Total</b>	<b>76,434</b>	<b>69,115</b>	<b>(7,319)</b>	
	Note 1. Court manager service attributed to housing & estate management and payable within your service charge.	70%	53,504	48,381	(5,123)
	Note 2. Court management service attributed to support services and payable within your support charge	15%	11,465	10,367	(1,098)
	Court management service attributed to rent and payable by Housing 21	15%	11,465	10,367	(1,098)

Date printed : 07/11/2023 07:49



# Housing(21)

Tricorn House  
51–53 Hagley Road  
Birmingham B16 8TP  
**0370 192 4000**

**housing21.org.uk**