

# Service Charge, Repairs & Maintenance and Insurance

Making sense of the small print



# The Service Charge

## The Service Charge Budget

The costs of providing various services and maintaining the common parts are paid for by each owner by means of the service charge. Under the terms of your deeds, you have committed to pay a certain proportion of the running costs of the estate.

The service charge is an estimate of the running costs of the estate, prepared each year. We then charge you 'on account' through the year on the basis of that estimate. In the weeks following the end of the financial year, we prepare service charge accounts which identify the actual expenditure during the year and any surplus/deficit is credited/charged to you. In this way, you will pay only the actual expenditure of providing the various management services.

The first service charge is prepared based on information and requirements given to us by the developer during the construction phase, or if the building is not a new development, we use our knowledge and experience of managing similar estates elsewhere to prepare the budget. We do our best to produce as close an estimate as possible, it is impossible to be completely accurate. Subsequent service charge budgets are prepared based upon actual and anticipated costs.

Your estate has a financial year which is shown on the Service Charge Budget. In the weeks before the start of each financial year we review the Service Charge Budget and will send out the new Budget to you a couple of weeks before the start of the year, together with an invoice for the payment then due.

The service charge funds are maintained in accordance with legislation in a trust client bank account for the benefit of the owners in each development. The funds of each estate that we manage are accounted for separately from any other site that we manage and completely separately from the funds of Eastbourne Lettings. In this way, the service charge funds are protected.

## Paying the Service Charge

We will bill the service charge in accordance with the terms of your Lease/Transfer Document, the service charge might be payable monthly, quarterly, half-yearly or annually.

Payment by cheque should be forwarded to Eastbourne Lettings. Please ensure that you either include the Remittance Advice slip from the bottom of your invoice or write your Account Number on the reverse of the cheque. Cheques should be made payable to the name of your block.

We also accept payments by BACS transfer. Please use the details that are provided on your demand.

## What Does the Service Charge Cover?

Each estate varies as to what is included in the service charge according to its construction, plant & equipment and facilities provided. The following items may be included in so far as they are relevant to your estate:

Landscape Maintenance:	Grass cutting, beds maintenance, sweeping of paths, bin stores and unadopted roads.
Window Cleaning:	Cleaning of internal and external communal area window surfaces. In some cases, Eastbourne Lettings may arrange cleaning of the windows to individual properties although due to health and safety restrictions, we may not be able to clean all windows.
Water Charges:	Provision for landlord's supply to standpipe. In some cases, Eastbourne Lettings will levy charges for individual apartment water consumption.
Electricity:	Common parts lighting, heating etc.
Lift Maintenance:	Maintenance/service contract on any lift.
Fire Equipment Maintenance:	Service contract on any fire alarm, smoke detectors, fire extinguishers or emergency lighting including testing in accordance with regulations.
General Repairs & Maintenance:	A provision for general repairs to the communal areas including lighting, joinery, door entry, locks, TV/satellite etc.
Buildings/Property Owners' Insurance:	In the case of apartments, full buildings insurance and property owners' liability insurance. In the case of freehold houses, this will just be property owners' liability (public liability).
Insurance Re-valuation Fee:	Amount payable towards the cost of periodic insurance re-valuation by independent surveyors to ensure that the correct level of buildings insurance cover is maintained.
Engineering Inspection:	Engineering inspection of lifts and other heavy plant and equipment covering special risks and any statutory inspections.
Directors' & Officers' Liability Cover:	Provides liability cover for the directors of the resident management company.
Bank Charges:	The charges levied by the bank for maintaining the service charge bank accounts.
Surveyors Fee:	Fees of the professional surveyors for carrying out and certifying inspections for required Health and Safety, Fire Risk and General Risk Assessments.
Accountancy Fee:	Fees of the independent chartered accountants for examining and certifying the annual service charge accounts.
Management Fee:	Eastbourne Lettings' fee for managing the development. This is calculated as a fee per unit per annum rather than as a percentage of expenditure so our fee is clear at the start of each year.
Redecoration Fund:	An annual transfer into a reserve fund as a contribution to the future redecoration costs of the building exterior and internal common parts.
Sinking Fund:	An annual transfer into a reserve fund as a contribution to major repairs and renewals e.g. renewal of carpets, lifts, fire equipment, other plant, elements of the building structure.
Arboriculturalist Fund:	An annual transfer into a reserve fund as a contribution to future tree works.



## Service Charge Accounts

At the end of each financial year, we prepare service charge accounts for your estate which reconcile what we have charged based on the service charge budget against actual expenditure. If we have charged more than we have spent, there will be a surplus, which will normally be refunded to each owner in accordance with the proportion that they have paid. If the costs have been higher than anticipated, there will be a deficit which we will charge to you. This means that you only pay for the actual expenditure during the year.

The service charge accounts show the actual expenditure against each of the main service charge headings, for example, cleaning, landscape, maintenance and lift maintenance. They also include information on the current balance of any reserve funds along with details of any monies paid out from those funds.

The service charge accounts are certified as being an accurate record by an independent firm of chartered accountants. A copy of the final accounts statement is sent to each owner, normally within three months of the end of the financial year, together with details of any balancing charge or refund.

## The Service Charge continued....

### Delays in Paying

Delays in paying the service charge adversely affect the service charge bank account and result in potential loss of interest. This can affect Eastbourne Lettings' ability to finance the management services, pay contractors and hence result in a diminution in the standard of services. Non-payment of service charge adversely affects everyone on an estate.

Eastbourne Lettings has a responsibility under the deeds to all residents to ensure prompt payment of service charge. As such, we will send reminders but in cases where non-payment continues despite reminders, we will refer these to our external collection agents who will in the first instance contact any mortgagees. If we must refer you to our collection agents, you will immediately incur their separate recovery charges.

### Ground Rent (where applicable)

Where there is a ground rent payable on a leasehold property, this may be collected on behalf of the Landlord by Eastbourne Lettings. If this is the case, we will bill you for this ground rent as and when it is due under the terms of your lease. In other cases, the ground rent may be collected direct by the Landlord.

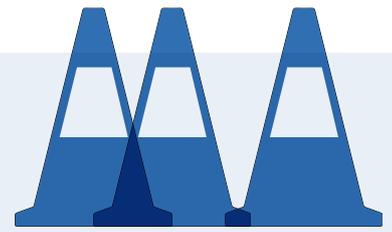
## Repairs and Maintenance

### General Principles

Eastbourne Lettings are responsible for the maintenance of the common parts of your estate and in the case of apartments, the structure and exterior of the building.

You are responsible for the interior of your home and any maintenance problems that might arise.

In addition, most newly built homes will come with a benefit of an NHBC Warranty or some other similar scheme. This should provide cover for a period of two years when the developer is responsible for putting right defects caused by poor workmanship or materials. It will also provide cover against structural faults for a period of up to 10 years. Should problems arise during these periods in the common parts for which we are responsible, Eastbourne Lettings will take these up with the developer. Should there be a problem within your home that you believe is covered by the warranty scheme, you should take these up yourself directly with the developer.



## Eastbourne Lettings' Responsibilities

Depending upon whether you own a flat or a house and the specific requirements of your deeds, Eastbourne Lettings are generally responsible for the maintenance, repair and renewal of the following:

- Building structure - walls, roof, foundations (apartments only)
- External communal doors and external apartment doors (but not your locks or keys)
- External and communal window frames (but generally not the glazing to individual properties)
- Shared drainage and shared plumbing
- External redecoration of the building
- Internal redecoration of any common parts
- Common parts furnishings such as floor coverings
- Common parts heating
- Common parts lighting including emergency lighting
- Common parts fire-fighting, alarm or detection equipment
- Communal lifts
- Communal TV and/or satellite aerial
- Other shared plant and equipment such as electronic gates, water pumps and ventilation
- All external paths, fencing, bin stores, parking areas, roads and grounds that are not the responsibility of an individual owner or the local authority

You are responsible for all repairs to the interior of your homes and any plumbing, drainage or wiring that serves only your property.

## Repairs, Reporting and Timescales

Repair problems should be reported to Eastbourne Lettings. In the event of an out-of-hours building emergency requiring urgent attention our out-of-hours company can be contacted by phoning the Eastbourne Lettings' office.

Eastbourne Lettings has identified three categories of maintenance together with timescales for actioning repairs - Cyclical/Planned Maintenance; Routine Repairs; and Emergency Repairs.

### Cyclical/Planned Maintenance

This includes service or maintenance on equipment such as lifts, fire alarms and emergency alarms, external and internal redecoration and the replacement, renewal or major repair of equipment, furnishings or the building fabric.

Service or maintenance contracts are normally arranged on an annual basis with periodic service visits in accordance with recognised guidelines or good practice. Redecorations are planned according to a programme drawn up by Eastbourne Lettings in accordance with the Lease and the requirements of the building. Replacement, renewal and major repairs are carried out as the need is identified and may be subject to statutory consultation.

### Routine Repairs

Day to day minor repairs of a non-urgent/emergency nature should normally be completed within 28 days of Eastbourne Lettings being notified. More costly repairs will often require two or more quotations and, in some instances, formal consultation with residents. In these cases, the repairs should be completed within 21 days of obtaining the necessary quotations and on completion of any consultation period. It may also be prudent to group minor repairs together so that they can be dealt with cost effectively by one contractor.

### Emergency Repairs

Emergency repairs include anything that poses an immediate risk to health, safety or to property. These will be dealt with immediately with a view to completing at least temporary repairs within 24 hours followed by action to effect a permanent repair.

# Insurance

Please note that the information provided in this document does not replace the clauses and conditions in the policy wording. This information is designed as a brief guide to the cover and loss prevention.

## Background

Eastbourne Lettings generally arranges Buildings Insurance in respect of leasehold flats and Property Owners' Liability (public liability) insurance in respect of common parts of all our managed estates. These insurances are arranged through our brokers:-

Reid Briggs  
49 South Street  
Eastbourne  
BN21 4UT  
info@reidbriggs.co.uk  
01323 438843

In some cases, the insurances are arranged by the freeholder. In these circumstances, the details of the policies and claims procedure may differ, although the following guidance will still generally apply.

Reid Briggs are authorised and regulated by the Financial Conduct Authority in respect of any of the insurance covers arranged on behalf of customers. Their knowledge of the property insured, together with the information you have provided to us about yourself and the property, has enabled us to understand your demands and needs, assess your requirements and make recommendations.

## What is Covered?

We do not arrange contents cover for your individual property. You should make these arrangements separately yourself. Provision for cover for fitted carpets should be included under contents cover as this is excluded under most building policies.

A Summary of Cover is available upon request from Eastbourne Lettings detailing the sums insured, insurers, extent of cover and any policy excesses in respect of your estate.

Where buildings insurance is provided, this will cover the building and common parts including parking areas and landscaping against damage caused by:

- Fire, lightning, explosion or earthquake
- Storm or flood
- Water damage from heating installations or washing machines, or oil escaping from heating installations
- Damage caused by riots, civil commotions, malicious damage or vandalism
- Theft of fixtures or fittings or items from the common areas where there is forcible/violent entry
- Subsidence, falling trees or branches, TV aerials or radio masts. Aircraft damage or anything dropping from them
- Accidental damage to drains or pipes, cables or tanks
- Breakage of glass in doors, windows and sanitary ware
- Any other damage caused by a peril insured

It will also provide cover for:

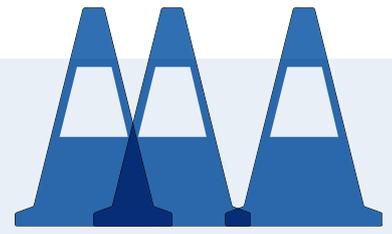
- Alternative accommodation following damage to the building which makes it uninhabitable, up to 20% of the building sum insured
- Cover for acts of terrorism

Property Owners Liability insurance is arranged in respect of any areas managed by Eastbourne Lettings covering third party liability for death and/or injury resulting from property damage.

Where there are lifts or other heavy plant and equipment, engineering insurance is also arranged which includes any statutory safety inspections. Cover may also be arranged for Director's and Officer's Liability where there is a residents' management company.

There are excesses payable in respect of every type of claim. Please check the Summary of Cover (available upon request) for further details of this.

Please note that it is a condition of the buildings insurance policy that you notify the insurers if your property is going to be unoccupied for longer than 30 days. If you fail to do this then there is a possibility that the insurance company may exclude loss or damage to apartments and houses caused by water damage, vandalism, theft and breakage of glass in doors or windows.



## Making a Claim or Obtaining Advice

Eastbourne Lettings has arranged the insurance through a specialist property insurance brokers, Reid Briggs. To make a claim please contact us for a claim form, but should you need to discuss whether an incident might be covered by the insurance policy or any detail of the policy itself please contact Reid Briggs. They would be happy to discuss and give advice directly to you in respect of insurance matters.

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info@reidbriggs.co.uk

01323 438843

Where the insurance is arranged by the freeholder, please contact Eastbourne Lettings for guidance on how to proceed with a claim.

If the damage involves the common parts of the building, you should notify Eastbourne Lettings.

You should always act as if you are not insured and take responsible steps to minimise the damage, such as turning off water and calling out temporary contractors.

In the event of damage to your property you will be asked to pay any applicable policy excess.

## Risk Management

Experience has shown that the following are sensible tips to reduce the risk of damage to your home or belongings that could result in an insurance claim:

- Make sure you can locate and operate the stop-cocks within your premises
- Maintenance work, plumbing and carpentry should be carried out by qualified workmen in accordance with safe practices. Do not accept workmen unless they are qualified and from a reputable firm
- All internal alterations to electrical wiring should be checked and approved by a qualified electrician. All electrics should be checked every 5 years and an electrical certificate issued
- Please assist Eastbourne Lettings in ensuring security, both internally and externally in car-parks and common areas, is closely monitored. Please report anything or anyone that may be suspicious to both the police and Eastbourne Lettings
- Please report any damage or items requiring maintenance or repair immediately to Eastbourne Lettings
- Please assist Eastbourne Lettings in ensuring that fire escapes, doors, and corridors are left free of rubbish or items that may impede exit or entry to the building
- Do not store flammable or hazardous items or materials in the building unless stored in a designated secure area and do not leave personal belongings in the common parts of cupboards

If your home is to be left unattended for extended periods or you are on holiday, you should notify insurers and take the following sensible precautions:

- Notify the building manager (where applicable) or neighbours so that access can be gained in the event of an emergency
- Turn off your water stop-cock and all electrical appliances. Ensure that taps and washing machines are shut off and not leaking. If the property will be empty for an extended period, drain down the plumbing
- Ensure that the TV is disconnected, mail is not left at the door, and deliveries are cancelled and that the premises are checked regularly
- If a car is left in the car park, notify your neighbour where spare keys are available in case the vehicle needs to be moved in an emergency

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