

Service charges explained

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The information contained in this document can be provided in other formats, including large print and audio formats or electronically. Please contact Moat to see if this document is available in a format more suitable to your needs.

Service charges

What are service charges?

Service charges are payments made by you which contribute to the maintenance of the communal areas of your apartment block and neighbourhood facilities.

Moat does not make profit from service charges; the purpose of a service charge is to ensure that we can provide you and your neighbours with a clean and pleasant environment in which to live.

What do service charges cover?

The services you receive can vary depending on where you live, the type and size of your property and what your agreement with us says. It will also depend on whether you are renting a property from us or whether you're a home owner. Typical service charges could include:

- Grounds maintenance (including grass cutting and looking after planted areas)
- Cleaning communal areas (including the removal of dumped rubbish)
- The lighting of communal areas
- Providing insurance for apartment blocks (home owners only)
- Providing water, electricity and gas to communal areas.

The glossary of service charges on page 10 explains in greater detail the services that you may see on your service charge estimate, or on your actual statement.

Types of service charges

There are three types of service charge: fixed, variable and actual.

- **Fixed service charges** cannot be varied; each year, our team calculates the cost of maintaining a particular neighbourhood and sets the service charge for that area. Because the cost is fixed, you will not receive a year-end service charge statement as any over or under spend cannot be recharged or refunded.
- **Variable service charges** are based on the actual cost of the service provided. Your annual service charge statement will highlight the difference between the estimated charge and the actual cost for maintaining your area. The difference will be either recovered from you or refunded to you.
- **Actual service charges** only affect a very small number of our home owners (1%) and are used when there is an agreement which does not allow Moat to charge estimated costs. If you fall into this group of people, you'll receive a service charge statement within six months of the end of the financial year which shows the actual cost of the services provided. These costs will be recovered in-line with the agreement.

Your tenancy agreement, lease or transfer sets out whether you pay a fixed, variable or actual service charge. Your service charge estimate and year-end statement shows what type of agreement you have with us.

To clarify, the table below shows which agreements usually have a fixed, variable or actual service charge.

Tenancy agreement	Tenure type	Type of service charge	Do you receive a year end statement?
Assured fixed	Rented	Fixed	✗ No, you don't
Assured starter fixed	Rented	Fixed	✗ No, you don't
Assured shorthold fixed	Rented	Fixed	✗ No, you don't
Assured variable	Rented	Variable	✓ Yes, you do
Assured starter variable	Rented	Variable	✓ Yes, you do
Assured shorthold variable	Rented	Variable	✓ Yes, you do
Fair rented	Rented	Fixed	✗ No, you don't
Freeholder	Home owner	Variable or actual only	✓ Yes, you do
Leaseholder	Home owner	Variable or actual only	✓ Yes, you do
Secure	Rented	Fixed	✗ No, you don't
Secure starter	Rented	Fixed	✗ No, you don't
Shared ownership	Home owner	Variable	✓ Yes, you do

How are service charges calculated?

Estimating your service charge

We estimate your service charge based on previous spending levels for the area in which you live. We also factor in any expected changes to contract costs, VAT levels, inflation and any changes in the levels of service required.

These charges are applied to your rent and service charge account each week or month – and they're usually reviewed in April each year.

Depending on the type of agreement you have with us, we will give you four weeks' notice of any changes; this is usually included as part of your rent increase notice if you pay rent to us. Please do be aware that home owner agreements do not require us to give four weeks' notice.

'Actual cost' of service charges for variable service charge payers

At the end of the financial year (usually 31 March), we will check the actual service charge spend on your neighbourhood and compare it with the estimated charges that you've paid during the year.

Once this reconciliation is complete, it will show whether the actual spend was more or less than the estimated charges. You may owe us money, or we may owe you money; we will send you a year-end statement to show you any difference, usually by the end of September each year.

What is a 'surplus'?

If we spend less on providing the services than we charged you during the relevant year, we will apply a credit to your account. This is called a surplus.

What is a 'deficit'?

If we spend more on providing the services than we charged you during the year, we will apply a debit to your account. This is called a deficit.

How do I pay the deficit or claim the surplus on my account?

The tables below show how these adjustments are collected or refunded depending on the type of tenancy you have.

If you rent your home, please be aware that if you wish to move home during the year, the balance of any surplus or deficit will be applied to your account in full and should be paid or refunded prior to vacating your home.

For example - taking the example in the tables below of a £52 deficit being applied to your account in the new financial year. If you leave your property after eight weeks of your new charges taking effect, your account will be debited with £44. This is because you will only have contributed £8 of the £52 deficit over eight weeks.

Surplus (credit) - this is where we've spent less than we charged you during the year

Rented customers	Home owners
<p>The surplus will be carried forward to the new financial year to reduce the total charges you pay each week or month.</p> <p>For example: If your statement for financial year 1 April 2024 to 31 March 2025 shows a total surplus of £52, your weekly or monthly estimated charges for the financial year, 1 April 2026 to 31 March 2027, will be reduced by £1 per week or £4.33 per month if you have a monthly tenancy.</p>	<p>The surplus will be used to clear or reduce any outstanding debts you have with Moat. Any remaining surplus can then be:</p> <ul style="list-style-type: none">Kept as a credit on your account to clear or reduce any future deficitsRefunded to you. <p>You are now able to request refunds online via MyMoat.</p>

Deficit (debit) - this is where we've spent more than we charged you during the year

Rented customers	Home owners
<p>The deficit will be carried forward to the new financial year and will increase the total charges you pay each week or month.</p> <p>For example: If your statement for financial year 1 April 2024 to 31 March 2025 shows a total deficit of £52, this will be added to your weekly or monthly estimated charges for the financial year, 1 April 2026 to 31 March 2027, and will therefore increase by £1 per week or £4.33 per month if you have a monthly tenancy.</p>	<p>The deficit is payable immediately following the issue of the year end statement, or as detailed in your agreement.</p> <p>If you are having financial difficulties, please contact us as we may be able to offer a payment plan.</p>

Managing agents

Management companies and managing agents

In some of our communities, managing agents carry out some (or all) services. The managing agents are employed by a private management company, which will have been created either by the developer, superior landlord or resident management company, to carry out the works on their behalf.

If you live in a home where these services are provided by another company, we will pass the costs on via your service charge. We currently charge a 5% fee on the management company costs; this covers our costs in dealing with the managing agent on your behalf, and pays for the preparation of statements for you based on their costs.

A managing agent looks after where I live, what does the agent do for me?

Generally, managing agents organise and maintain the upkeep of the external communal grounds and the common parts within apartment blocks. Managing agents will also consult with you at the same time as they consult with us for the following:

- “Qualifying works” which will cost any one contributing customer more than £250.
- “Qualifying long term agreements” which will cost any one contributing customer more than £100 in any accounting period.

It's worth noting that some managing agents operate on a different financial year to Moat; this means that their latest figures may not be ready when we issue your service charge statement. Because of this, we account for any costs which we believe they will charge us for over the year, ensuring your charges do not fluctuate unduly each year.

Your legal rights

The 18 month limit on recovery of costs

Under Section 20B of the Landlord and Tenant Act 1985, we're only able to charge you (in the actual service charge) for works or services where the costs were incurred within the previous 18 months (depending on the type of agreement you have). This is to ensure we account for all invoices accurately in any given financial year.

If for any reason we're unable to reconcile the accounts within these timescales, we can issue a notice (Section 20B) informing you of a delay. We will endeavour to obtain all necessary information and issue any delayed accounts to you for payment prior to the beginning of the new financial year (starting in April).

The right to appeal

If you have any questions or issues relating to your service charge, please contact our Customer Services Team in the first instance. We will always try to resolve any issues quickly and effectively, however if you're dissatisfied with our response, you then have the right to appeal to the First-tier Tribunal which will determine if the service charge is reasonable. To do this, you'll need to complete an application form and return it to the appropriate regional Tribunal office.

What is the First-tier Tribunal (Property Chamber)?

Tribunals are part of the Her Majesty's Courts and Tribunals Service. Each Tribunal usually consists of three members: a lawyer (who is often the chairman), a valuer and a lay person. The Tribunal is entirely independent and impartial in its approach. There are five regionally based Tribunal offices (London, Northern, Midland, Eastern and Southern). They will hear a case from both the landlord and customer, investigate the case, and then issue their decision in writing as soon as possible after a determination has been made. Any application should be made on the relevant forms which are available online at gov.uk/housing-tribunals or via written application to the appropriate regional Tribunal office.

How much does it cost?

The Tribunal may consider it appropriate to deal with your case on the basis of written representations and documents, however, a fee will be payable should you request an oral hearing. The Tribunal may also decide that an oral hearing is necessary. The current fee payable for an oral hearing is £200.

Service charge statement explained

Annual service charge statement

Actual service charges for year April 2024 - March 2025

Property: Flat 1 Anywhere House, Anywhere Drive, Anywhere AA10 5AA

Property ref: 1ABCDE5FG0000010 Agreement type: Assured Variable

Future Repair Fund Breakdown (where applicable)	
Opening Balance	£20,000
Receipts	£500
Interest	£10
Expenditure	(£15,000)
Closing Balance	£5,510
Breakdown of Moat Management Fee Difference currently 15% or 5% of service charge costs	
Grounds Maintenance (GRM)	£0.83
Pest Control (PES)	-£0.71
TV Reception Services (DIG)	£0.21
Communal Cleaning (CLE)	-£4.85
Communal Electricity (ELE)	-£0.60
Door Entry Systems (DOR)	£0.83
Fire Protection (FAL)	-£0.89
Grounds Maintenance (GRM)	£1.09
Rubbish Removal (RUB)	£1.15
TV Reception Services (DIG)	-£5.14
Rubbish Removal (RUB)	£0.12
Total cost of Moat Management Fee Difference	-£7.96

- Number of properties in any community, neighbourhood or block which share the same services. Please note that if you live in an apartment, a group of properties which shares the same services will not always be the number of properties in your building. This could be due to properties on the ground floor having their own front doors (therefore not requiring access to the communal areas). The number also depends on the agreement we have in place with the customers.
- Description of services provided to your community or building. Be aware that if you do not benefit from the service, you may not be charged for the particular service.
- The actual total spent over the year on the provision of each service for you and your neighbours.
- Total of estimated costs charged to customers during the year for each service that was associated with your community or building.
- Difference between the total estimated charge and the actual cost of providing each service to the estate, group or building where you live.
- Your share of the actual amount spent over the year on the provision of each service, including costs only associated with your property (such as insurance and personal water).
- The share of the estimated cost of each service which was charged to you during the year. This will also include costs only associated with your property (such as insurance and personal water).
- Your share of the difference between the estimated charge and the actual cost of providing each service to your home.
- Total of the difference between the estimated costs and actual costs for the provision of all services to your property for the year.
- The cost of providing services, either by Moat or a management company. Moat Management fee is currently charged at 15% on specific services that Moat provide and 5% on specific services provided on your development by managing agents. The management charge calculation is based on 15% or 5% of your portion, of the difference between the actual and estimated costs. This is based on the number of days you have been in residence.

11. Applicable to Tenants only - Number of days you have lived in your home during the financial year (April to March). The total cost for the year as shown at number 9 is divided by the number of days in the year, then multiplied by the number of days you have lived in your home.

12. Total weekly, monthly or annual amount to be paid to Moat (or that we owe to you) after calculating the number of days you lived in your property that year. Depending on your tenancy type, this will be debited or credited appropriately to your rent and service charge account immediately, or carried forward to the following year. Please note - for tenants, using the example shown, this amount is calculated as follows:

$$\text{Balancing charge (9) divided by the number of days in the year multiplied by the number of days in residence (11), divided by number of weeks in the following year (usually 52 weeks unless your tenancy states otherwise) therefore;}$$

$$\text{£-53.18 / 365 x 181 = £26.37 credit for the year}$$

$$\text{£26.37 + £7.96 = £34.33 credit for the year (including the management charge)}$$

$$\text{£ 34.33 / 52 = £0.66 to be credited to your weekly charge in the following year}$$

13. This is for information only and only applies to tenants in order to show HB and non HB eligible adjustments separately.

14. Applicable to Home owners only - Amount held in the Reserve / Future Repair fund for the estate, scheme or building where you live if applicable.

15. Shows the amount of the management fee associated with each of the services provided. The Total cost of Moat Management Fee Difference is the amount shown at number 10.

What if I don't agree with the service charge estimate or statement?

We aim to provide a service which meets the needs of our customers and also offers value for money. However, if you feel we're not providing you with the service you expect, please contact us. We can make mistakes and we need to know where any errors are; we can then look into your query and get back to you. You can also request to view, inspect and take copies of invoices which support the service charge.

Ways to pay

myMoat

Our customer portal, MyMoat, is the quickest and easiest way to pay your rent and is available 24/7. You can set up Direct Debits, make a payment with a credit or debit card and use your AllPay payment card at any time that is convenient to you.

 moat.co.uk/mymoat

Direct debit (Available via MyMoat)

With Direct Debit payments, your rent and service charges are paid to us direct from your bank account and can be collected on a date and frequency to suit you.

Direct Debits can be set up on MyMoat or over the phone and they're very low maintenance. We also guarantee that you will be notified of any changes to your payments at least ten working days before they're implemented.

With a Direct Debit, you will be subject to a penalty fee from your bank should a collection be unsuccessful due to funds being unavailable in your account.

Credit or debit cards (Available via MyMoat)

You can make a payment with your credit or debit card via MyMoat 24 hours a day or you can call us on 0300 323 0011 between 8am and 6pm, Monday to Friday. The payment must be made by the cardholder; this can be yourself or a third party.



Mobile phone text payment (Available via MyMoat)

To pay via text message, you will need a UK registered mobile phone, a valid Allpay swipecard and a current debit or credit card. You can register online at allpayments.net/textpay.

Standing order/Internet banking

You can set up standing orders or make bank transfers via your bank. You'll need, your customer reference number, our sort code 62 27 56 and our account number 00 00 00 00 (yes that is eight zeros). The date and frequency of the payment is entirely your choice. Please be mindful that standing orders are controlled by you and you will need to adjust them in line with any changes to your payments.

Payment Card (Available via MyMoat)

If you cannot pay by any of the methods above, we can send you a payment card that allows you to pay cash across the counter in any Post Office or at retailers displaying the Pay Point sign. There are no forms to fill in and no counter charges to pay. You can use this card via MyMoat (through the Allpay site) or you can simply hand the card and your cash to the shop assistant and the rest is done automatically. You can also request a new payment card via MyMoat should you misplace your current card.



Cheque

Please make cheques payable to Moat Homes Limited and write your customer reference number or full property address on the back before posting to: Moat, Mariner House, Galleon Boulevard, Crossways, Dartford, Kent DA2 6QE.

FAQs

What should I do if I am worried that I cannot pay my service charge?

You should contact us as soon as possible. We offer a number of ways to help you manage your money and make sure you don't miss a payment.

How can I regularly check my rent and service charge account?

All your rent and service charge information is available 24/7 via MyMoat – the dedicated customers' section of the Moat website. Go online to moat.co.uk/mymoat to log in or register for an account.

Why do I pay a different amount to my neighbour?

Depending on the type of agreement you have with us, service charge costs are apportioned in different ways. Usually the costs are shared equally among the customers who benefit from the service provided. However there will be circumstances in which individual properties' floor area or, property insurance valuation are used to determine the service charge costs.

Which service charges are eligible for housing benefit?

Housing Benefit will cover service charges which are payable in order for you to occupy your home (known as eligible service charges). For example, grounds maintenance and passenger lift maintenance are classed as eligible service charges.

Housing Benefit will not contribute towards any personal charges which relate to your home (ineligible service charges). For example, personal water, heating or utility charges that exclusively serve your home. Personal care services are also ineligible service charges. All customers are required to make regular payments to Moat for any ineligible service charges.

Glossary

The list below covers all types of Moat properties and is representative of the most usual charges. You may only have one or two of them.

Term	Description
Caretaking / scheme staff costs	The cost of the Moat caretaker or member of staff who looks after your area or building.
Communal cleaning	This is usually for the cleaning of the communal areas in an apartment block, but may include some external areas such as disinfecting bin enclosures.
Communal heating and hot water	Generally charged on retirement living developments which have a communal boiler system supplying the heating and hot water to customers. If the system supplies your home in this way we will split the consumption between customers and common parts.
Communal electricity / communal lighting	Communal lighting to your community or apartment block. In some cases this may include the cost to supply power to communal TV aerials, lifts and lighting.
Communal electrical appliance testing	This charge is usually for the portable appliance testing of communal electrical appliances in retirement living schemes, but may also include the testing of your communal electricity appliances, such as door entry or emergency lighting systems.
Communal refuse clearance	Costs associated with refuse collection carried out by Local Authorities for apartment blocks or where paladin bins are used.
Communal grounds maintenance	Includes all grounds maintenance such as grass cutting, weeding shrubs and beds as required. It may also include sweeping paths and car parks and litter picking.
Communal water	Costs for the water consumption from a supply for communal areas or outside taps.
Door entry systems	These are the costs for maintaining door entry systems.
Equipment usage charge	This is a charge made to ensure that communal equipment provided can be replaced if necessary. Typical items are door entry systems, lifts and emergency lighting systems.
Fall arrest system	Moat has an obligation as a result of the Health & Safety at Work Act 1974 to have due regard for the health and safety of customers and visitors to our buildings and communal areas of your neighbourhood. This cost is for the annual maintenance of this supply for communal areas.
Fire protection	Cost of fire protection equipment or systems in your building such as smoke alarms, smoke ventilation, emergency lighting and fire extinguishers.
Legionnaires testing	Communal water tanks require testing and checking for water standards compliance.
Lift maintenance	This covers the servicing and maintenance of passenger lifts.
Managing agent management fees	This is the charge from the managing agent to cover their costs of delivering the services to your community
Moat management fee @ 15%	To cover the costs of managing the services delivered by Moat for your home or scheme. It will be dependent on the type and level of service delivered.

Term	Description
Moat management fee @ 5%	This is currently charged as a percentage of a managing agents' costs where they provide the services to your apartment block or neighbourhood. This fee is to cover our costs in dealing with any issues with the Managing agent on your behalf (including charging issues) and preparing service charge statements for you based on their costs.
Payment to managing agent	These are the costs we pass onto customers from managing agents or other organisations who manage the services for your scheme, block or development.
Refuse container hire	This service is for the hiring of bulk refuse containers (generally for apartment blocks).
Rubbish removal	If rubbish has been left, we have to clean it up and recharge customers, unless we are advised who dumped it, in which case we will try to recharge who left it.
Sewerage	Applies to areas where there is no mains sewage system and the local authority or a utility contractor passes on the cost for emptying the cess pits or other waste water handling equipment.
TV reception services	Costs for the hiring of the equipment and/or servicing of the communal aerial system.
Warden call fire alarm	This is generally for retirement living schemes and includes the maintenance of warden call systems, smoke detectors and door entry systems.
Water and sewage rates	Personal water and sewage rates charged directly from the water utility company and recovered from you.

The table below shows costs which home owners contribute towards within their service charges. We do not charge rented customers for these costs as these are already collected within the rent they pay us. Please note that the rent contribution from shared owners only covers our borrowing costs for the retained part of the property and any reference to home owners includes shared owners.

Home ownership term	Description
Audit fee	We're obliged under the terms of certain leases to have our service charges independently certified.
Day to day communal repairs	Costs relating to communal repairs carried out during the year to the apartment block or external areas of your neighbourhood.
Gas servicing - communal boiler	Costs for the annual servicing and maintenance to a communal boiler where it provides heating to your home.
Insurance (buildings)	Moat are obliged to insure the building in which you live under the terms of your lease against risks such as fire and flood. The home owner is also obligated to pay for this service.
Payment to managing agent (home owners)	Costs from managing agents or other organisations who provide services rather than Moat which are paid by home owners via the service charge, eg. insurance or repairs.
Reserve / sinking fund provisions	Funds collected from home owners under the terms of their lease in order to pay for items of large expenditure which do not occur very often, such as cyclical decorations and major works. These monies are held in a separate bank account in trust for the properties which they serve. We will include the balance of any fund for your area within your actual service charge statement.

Service standards

Providing information

We will provide you with a clear breakdown of how much and for what you pay a service charge, both at the beginning of your tenancy or lease, and then annually, at least 28 days prior to any changes taking place.

We will work closely both with our internal colleagues and local authorities to ensure that any information we provide them with annually and then throughout the year, is clear and accurate. This will enable them to ensure any changes required to benefit payments are not delayed.

We will work within legislative timescales to produce an accurate annual reconciliation for customers with a variable service charge. We'll strive to deliver the annual statement as soon as possible after our year-end on 31 March, but we will endeavour to have it delivered to each customer no later than 30 September each year.

Value for money

We'll work with our colleagues at Moat, as well as with external agencies, to ensure the cost of services (including major works) to your neighbourhood reflect the reasonable costs of both the services we directly contract or those contracted by the managing agents.

In the case of managing agents, we will monitor their service and expenditure to ensure that these meet our standards. We will seek to make efficiency savings on services while not reducing the standard of service supplied.

We will work with other departments within Moat and also with external agencies to develop new homes and communities which are efficient to run, and therefore cost less to manage.

We will look for and implement ways to reduce our overheads; using our initiative to save money by sourcing the most economical way to produce our information and correspondence.

Resident engagement

We will attend residents meetings when the need is identified; this could be to discuss a change to service charges or to answer customer queries.

We'll be open and transparent when dealing with enquiries or complaints, using our knowledge of your community and the cost of managing it to deal with your questions. Your feedback will be used to improve and develop our service.

We will also present information in a meaningful way, ensuring that we communicate effectively but in varied ways to suit our customers' requirements.

We'll ensure that you can tell us what you think by asking for your views on the way we deliver our service in our customer surveys.

Staff training and performance

We will employ knowledgeable staff members and maintain a training programme to ensure that they are up-to-date on the legislative requirements relating to service charges, as well as any other housing and residential related matters.

Confidentiality

Moat will process personal data only for the purpose it has been provided and in compliance with Data Protection Law. All information will be held securely and in accordance with our Privacy Statement which is available at moat.co.uk/privacy-statement.

Contact us

This brochure is a general guide and is not intended to cover every service charge arrangement between Moat and its customers.

If you require any further information, please contact our Customer Service Team on:

 customer@moat.co.uk

 [0300 323 0011](tel:0300 323 0011)

 moat.co.uk/mymoat/chat

Don't forget...

All your rent and service charge information is available 24/7 via MyMoat. Visit moat.co.uk/mymoat to log in or register for an account.

Who does what in relation to service charges?

Customer Service team

- First point of contact
- Action communal repair requests
- Takes payments and requests for refunds.

Neighbourhood team

- Monitor quality of services delivered by our contractors and superior landlords
- Handles queries in relation to the quality of services provided
- Maintains contact with Managing agents and where appropriate, sit on and liaise with Resident Management Companies
- Carry out statutory S20 consultation with customers for works and services where required.

Service Charge team

- Calculates and sends estimates and actual service charges
- Handles queries relating to service charge calculations
- Deal with legislative and complex enquiries.

Property Services team

- Deal with planned and major works (cyclical decorations etc)
- Liaises with service contractors to maintain gas services, lifts, door entry systems and more
- Carry out statutory S20 consultation with customers for works and services where required.

Procurement team

- Handles tender submissions from contractors
- Ensure value for money when employing contractors.

Income and Advice team

- Takes payments and arrange refunds
- Set up payment plans
- Provide Housing Benefit advice
- Take action against non-payers.



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