

PART 1

25th February 2022

Address

Dear Mr

Rents and Service Charges from 1st April 2022 to 31st March 2023
Re:

Your new monthly charges, which are effective from 1st April 2022, are set out below:

Rent	£
Service charge	£ (this is broken down for you on page 3)
Total	£ per month

What you should do next

It'd be really helpful if you could take the following action:

- If you pay by **DIRECT DEBIT** we will automatically update your payments and send you a revised schedule. If you do not pay by direct debit but would like to do so, please contact your Revenues Officer who can arrange this for you over the phone.
- If you pay by **STANDING ORDER**, please notify your bank of the new amount due from 1st April 2022.
- If you receive **HOUSING BENEFIT** please send them a copy of this letter straight away, so that your Housing benefit entitlement isn't affected. Please note it's unlikely they will backdate any requests for increased amounts.
- If you receive **UNIVERSAL CREDIT**, please upload this letter to your live Universal Credit portal straight away, so that your Universal Credit entitlement isn't affected. Please note it's unlikely they will backdate any requests for increased amounts.

Chair Roy Coulter Chief Executive Tom McCormack

Registered Office 130-136 Sydenham Road, London SE26 5JY

VAT No. 645 2143 56

Registered with the Housing Corporation No. L 1538

Hexagon Housing Association Ltd is a Charitable Organisation

Registered under the Industrial and Provident Societies Act 1965 No 19128R



Enclosed with this letter is:

- Notice of Rent Increase for the period 1st April 2022 to 31st March 2023
- Estimates Service Charge Breakdown 1st April 2022 to 31st March 2023
- Your Service Charges Explained
- Service Charges – Summary of Tenants' Rights and Obligations

Contact Us

Please call our Customer Service Team on **020 8778 6699** if you:

- have any queries about this letter or would like to discuss your new rent/service charges or
- are struggling financially (Just so that you know we have teams at Hexagon dedicated to help you)

Yours sincerely,



Notice of Rent Increase

To:

“the Premises”)

The next Rent Review Date under your shared ownership lease of the Premises is 1st April 2022. The rent which you currently pay is £ month.

The rent which you must pay on and after 1st April 2022 is £ per month. The new rent figure of £ per month is calculated as follows:

- RPI Index for September 2020 was 294.3 (this was the Index on which the rent review in 1st April 2020 was based);
- The Gross Rent fixed at the rent review in April 2021 was £ per month;
- RPI Index for September 2021 is 308.6 (this is the Index on which the rent review in 1st April 2022 is being based);
- The reviewed Gross Rent as at April 1st 2022 is therefore £ per month being: ($\text{£} \times ((308.6/294.3) + 0.005)$)

Your share of your home is currently 35% and our share is 65%, this means the rent you need to pay is 65% of £, which is £ per month.

If you think there are any errors in relation to the percentage of ownership, please let us know straightaway and if you could provide us with a copy of your memorandum of stair casing that would be really helpful.



Hexagon Housing Association
Estimated service charges for the period 1st April 2022 to 31st March 2023

	Unit	Flat
	Block %	You pay % of the total block costs
	Estate %	You pay % of the total estate costs
	Other %	You pay % of any other costs

Service description	Block/ estate cost (£)	Estimated property cost (£)	Your monthly contribution (£)
Refuse Collection			
Refuse Chute Maintenance			
Grounds Maintenance			
Playground Equipment Maintenance			
CCTV			
Block Cleaning			
Communal Water			
Water Pump Maintenance			
Door Entry System			
Door Entry Phone Line			
Electricity & Lighting Costs			
Car Charging Point			
Equipment Service Contract			
Fire Alarms			
Fire Safety Maintenance			
Fire Safety Equipment Servicing			
Mansafe System Maintenance			
Lift Maintenance			
Estate Repairs			
Pest Control			
Phone Line Equipment			
Block Repairs			
Signs (Communal Areas)			
TV Aerial Maintenance			
Water Quality Services			
Car Park Security			
Car Park Repairs			
Tree Pruning			
Freeholder Service Charges Property			
Sinking Funds			
Lightening Protection			
Additional Fees			
Insurance (Property – Year / Month)			
Audit Fee			
Management & Administration Fee			
Actual Expenditure 20/21 carried forward			
Surplus (-) or Deficit (+)			
Total Estimate Payable (Year / Month)			

PART 2



Hexagon Housing Association Limited
130-136 Sydenham Road London SE26 5JY

Switchboard 020 8778 6699

Facsimile 020 8676 7811

Tenants Repairs Freephone Line 0800 393 338

Name
Address

How have we calculated the estimated costs this year?

We have reviewed the actual costs for 19/20 and 20/21, and any surplus or deficit has been taken into account. We also look at known changes to contract prices and consider inflation. It is important to remember that the costs provided are estimates only. In the summer of 2023 we'll have a complete years worth of accounts that will be reviewed, and we will reconcile the estimated charges for 22/23 with the actual costs incurred. This reconciliation may then produce a carry forward surplus/deficit.

What do I pay for?

Your charges depend on the services we provide to the building and/or development/estate, the repairs we have to do, and the share stated in your lease or transfer agreement. The main charges are:

Bulk refuse collection – The removal of bulk items of rubbish that have been left by the communal bin area or other parts of the development/estate.

Cleaning - Cleaning of the communal hallways and staircases if you live in a block of flats.

Day to day repairs - The maintenance and repairs to the communal areas and structure of the building that your property forms a part and/or development/estate.

Electricity - Electricity charges for items such as internal communal and external lighting in your building and/or development/estate, and the operation of lifts and door entry systems etc.

Entry phones - Servicing, maintenance and repairs to the door entry and gates in your building and/or development/estate.

Fire alarms & safety equipment - The statutory servicing and inspection of communal fire alarm systems, emergency lighting, communal smoke detectors and fire equipment etc.

Freeholder service charges – Where we are not the freeholder and there is a superior landlord for the building and/or development the service charges that are payable on our lease or transfer agreement.

Grounds maintenance - The cleaning, litter picking and maintenance of the communal lands of the development/estate.

Lift - Servicing, maintenance and repairs to the lift/s in your building.

Phone lines – The costs of providing phone and/or broadband lines for communal systems such as lifts, door entry and other access control systems etc.

Pest control - The removal and/or the prevention of pests from communal areas of the building or development/estate. This does not include any costs for the pest control treatment to any individual home as this is your responsibility under the lease agreement.

Sinking fund / reserve (flats/apartments only) – This is your contribution towards a reserve fund to cover larger maintenance costs which may be incurred in the future such as cyclical decorating, roof and window renewal etc. The reserve fund builds up over time and is used to meet the cost of these items as and when they occur. This avoids the likelihood of large bills being demanded from leaseholders when the cost is incurred. Details of the current level of reserve funds held are shown in the certified expenditure accounts.

TV aerials - Maintenance and repairs to the communal television aerial in your building and/or development/estate.

Water booster pumps - Servicing, maintenance and repairs for the water booster pumps in your building and/or development/estate

Water charges - Charges for the supply of communal water to your building and/or development/estate as well as the removal of any waste water.

Water quality services - The cost of providing assessments and associated works for legionella and water hygiene.

Window cleaning - Cleaning of the communal windows of the building your property forms a part. Also if you live in a block of flats where it is difficult to clean windows to individual flats then this service is provided by Hexagon and this cost is also recovered through this charge.

Insurance - Buildings and public liability insurance. Please note that this does not include contents insurance which we would advise you to take out separately.

Audit fee – The cost of an independent external auditor is employed to certify the service charge expenditure accounts

Management & administration fee - This is the charge made to cover our staffing and other costs which are incurred in procuring and managing the services provided to your build/development and to you as a leaseholder or freeholder. This is currently calculated on the basis of a fixed fee per unit.

Surplus/deficit - This is the carried forward surplus/deficit arising from the certified accounts of

the 20/21 actuals (income and expenditure) ending 31st March 2021. A surplus arises where the estimated service charge exceeds the costs incurred. A deficit arises when the estimated service charge is lower than the costs incurred.

All listed charges may not be applicable to your building / estate and there may be ad-hoc charges where the service is not common.

Why have my service charges gone up/down compared to the previous year?

There may be a number of reasons why your total monthly charge has changed compared to last year. You will need to review the detail of the breakdown to see where variations to previous year estimated costs have occurred. It may have been necessary to adjust the estimated cost to reflect changes in the actual costs incurred from 20/21.

Service Charges – Summary of tenants’ rights and obligations

1. This summary, which briefly sets out your rights and obligations in relation to variable service charges, must by law accompany a demand for service charges. Unless a summary is sent to you with a demand, you may withhold the service charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.
2. Your lease sets out your obligations to pay service charges to your landlord in addition to your rent. Service charges are amounts payable for services, repairs, maintenance, improvements, insurance or the landlord’s costs of management, to the extent that the costs have been reasonably incurred.
3. You have the right to ask the First-tier Tribunal to determine whether you are liable to pay service charges for services, repairs, maintenance, improvements, insurance or management. You may make a request before or after you have paid the service charge. If the tribunal determines that the service charge is payable, the tribunal may also determine-
 - who should pay the service charge and who it should be paid to;
 - the amount;
 - the date it should be paid by; and
 - how it should be paid.

However, you do not have these rights where-

- a matter has been agreed or admitted by you;
 - a matter has already been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the service charge or costs arose; or
 - a matter has been decided by a court.
4. If your lease allows your landlord to recover costs incurred or that may be incurred in legal proceedings as service charges, you may ask the court or tribunal, before which those proceedings were brought, to rule that your landlord may not do so.
 5. Where you seek a determination from the First-tier Tribunal, you will have to pay an application fee and, where the matter proceeds to an oral hearing, a hearing fee, unless you qualify for fee remission or exemption. Making such an application may incur additional costs, such as professional fees, which you may have to pay.
 6. The First-tier Tribunal and the Upper Tribunal (in determining an appeal against a decision of the First-tier Tribunal) have the power to award costs in accordance with Section 29 of the Tribunals, Courts and Enforcement Act 2007.
 7. If your landlord –

- proposes works on a building or any other premises that will cost you or any other tenant more than £250, or
 - proposes to enter into an agreement for works or services which will last for more than 12 months and will cost you or any other tenant more than £100 in any 12 month accounting period.
 - Your contribution will be limited to these amounts unless your landlord has properly consulted on the proposed works or agreement or the First-tier Tribunal has agreed that consultation is not required.
8. You have the right to apply to the First-tier Tribunal to ask it to determine whether your lease should be varied on the grounds that it does not make satisfactory provision in respect of the calculation of a service charge payable under the lease.
9. You have the right to write to your landlord to request a written summary of the costs which make up the service charges. The summary must-
- cover the last 12 month period used for making up the accounts relating to the service charge ending no later than the date of your request, where the accounts are made up for 12 month periods; or
 - cover the 12 month period ending with the date of your request, where the accounts are not made up for 12 month periods.
- The summary must be given to you within 1 month of your request or 6 months of the end of the period to which the summary relates whichever is the later.
10. You have the right, within 6 months of receiving a written summary of costs, to require the landlord to provide you with reasonable facilities to inspect the accounts, receipts and other documents supporting the summary and for taking copies or extracts from them.
11. You have the right to ask an accountant or surveyor to carry out an audit of the financial management of the premises containing your dwelling, to establish the obligations of your landlord and the extent to which the service charges you pay are being used efficiently. It will depend on your circumstances whether you can exercise this right alone or only with the support of others living in the premises. You are strongly advised to seek independent advice before exercising this right.
12. Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.