
THE SERVICE CHARGE

What the service charge is for

Everybody living at The Red House pays a service charge, enabling life to be lived to the full, leaving the everyday stresses of home ownership to us.

All service charge monies, including the reserve fund referred to below, are given trust protection under Section 42 of the Landlord and Tenant Act 1987.

Please see the current Service Charge Budget, available from the Sales Team as a separate document, for a full breakdown.

What the service charge covers

Property:

- External buildings and maintenance
- External window-cleaning
- Buildings insurance
- Refuse collection
- Reserve fund – a proportion of the service charges paid by property Owners/Occupiers is accumulated in a reserve fund to cover future capital works (building repairs and renewal, etc) (see below)
- Management fee

Communal facilities:

- The Fountains Restaurant
- Lounge
- Bar
- Drawing room
- Crafts room
- Library
- Hair and beauty salon
- Heating, lighting, maintenance and cleaning of all communal areas, including lifts
- Daily concierge service

Gardens and estate management:

- Garden and grounds maintenance
- Operation and maintenance of all external lighting and upkeep of estate road/pathways

Safety and security:

- Thoughtful lighting and CCTV to provide a safe, secure environment
- Electric gates accessed by fob entry
- 24-hour staffing
- Door entry control and emergency call systems to all properties

Staffing and support:

- One and a half hours' domestic assistance per week to use however you like*
- General Manager, Duty Managers and administration staffing
- Chefs and catering staff
- Additional domestic, personal or domiciliary care can be arranged**

The service charge is a variable charge based on actual costs only. It is payable in advance in monthly instalments by direct debit, pro-rata from the time Owners/Occupiers buy a property.

Owners/Occupiers are invited to meet Enterprise Retirement Living (ERL), the Community Operator, and Red House Ripon Management Limited (RHRML), the Management Company, twice a year for specific purposes. At the first, the Annual General Meeting usually in July, the accounts for the previous financial year (ending on 31 December) are discussed. At the second meeting, which is held in November ahead of the new service charge year which starts on 1 January, ERL presents the budget for the coming year, and Owners/Occupiers have the opportunity for input on the charges and services at this stage.

These meetings are in addition to quarterly meetings between the Residents' Association (which represents the Owners/Occupiers) and ERL to discuss the above, ongoing management accounts, and any other issues arising. The Residents' Association itself meets regularly to discuss the budget, accounts and any other issues in private.

Any surplus or deficit on the service charge account, which is determined when the relevant year's accounts are prepared and audited, is applied in appropriate shares to the individual Owners'/Occupiers' service charge accounts. This means that if there is a surplus, monies are refunded to Owners/Occupiers if their service charge accounts are up-to-date; no refund is made to Owners/Occupiers whose accounts have service charge arrears, as the credit is offset against this. If there is a deficit, Owners/Occupiers will be asked for an additional payment to make up the shortfall. In circumstances where the surplus or deficit is "small" (ie, less than £25 per property) then, with the Owners'/Occupiers' approval, this is either credited or charged to the Reserve Fund. It should be noted, however, that RHRML is experienced in its field and large differences in the amount budgeted for, and collected through the normal service charge payments, and actual expenditure are unusual.

All services listed above are routinely supplied and paid for by the service charges. In the unlikely event that a service is not provided, there is no associated cost to the service charge account, so Owners/Occupiers will not pay for a service they do not receive. If RHRML are deemed to be at fault for not providing a service, a credit would be given.

* Please ask the Sales Team for more details.

** These are not covered by the service charge and are subject to additional fees and separate agreements; please ask the Sales Team for more information.