

6. Administration costs and insurance





Administration costs and insurance

Hackney Homes is obliged to recover costs relating to management and administration of services to leaseholders and freeholders. It also provides for those services which leaseholders and freeholders may benefit from or are entitled to use.

There are two types of annual costs:

1. **Administration Fee:** This fee is for the costs of the central unit which deals with leasehold and freehold annual service charges, recovery and billing, general enquiries relating to leasehold and freehold administration. This is currently provided by Leasehold and & Right To Buy Services.
2. **Neighbourhood Management Fee:** This fee is for the local estate, neighbourhood and on site costs relating to the provision of housing and estate based staff who manage properties on streets, blocks and terraces, and estates managed by Hackney Homes.

There is no duplication between the costs above, and fees are reviewed annually to reflect actual expenditure. The two charges above do not form part of service and repair costs which may appear in your annual service charge bills.

Major works administration fees payable by leaseholders are explained separately in the enclosed Major Works booklet. Major works charges are not always payable by leaseholders in any one year, and are therefore invoiced separately from annual service charges. Such administration costs are removed from annual service charges which are described above.

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Below are some examples of what costs are incurred in providing a Leasehold Management service.

- **Direct Salary** - The salaries of the staff who are employed to provide the services, such as Service Charge Recovery and Service Charge Accounts Officers.
- **Legal Costs**– These costs reflect litigation case management less fees earned from solicitors' enquiries and court awarded costs. Any legal costs relating to major works have been deducted.
- **Support Costs**– Costs have been apportioned to reflect the office costs, IT costs, accommodation in proportion to the number of staff relevant to service charge recovery and accounting. (Exclusive of Major Works).
- **Building Costs**– The total running cost of the building for the staff of Leasehold & Right to Buy to carry out their work is divided equally among all service charge payers.

Freeholders – Please note that this section does not apply to you as you are responsible for both your building and contents insurance.

Insurance is a complicated subject and in this section we give only a brief summary of the arrangement that applies to leasehold properties.

Hackney Homes, as the freeholder, insures the Block & Estate where your home is situated. As with other services we will then recharge you your share of the cost.

You pay your buildings insurance premium monthly with your service charge. The premium charged is based on the reinstatement value of your property.

It is your responsibility to arrange the insurance for the contents of your home.

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Building insurance

This does not provide cover for day to day maintenance and repairs that are caused by wear and tear over time.

It does provide cover for damage to the building caused by:

- Fire, lightning, explosion or earthquake
- Aircraft
- Storm, tempest or flood
- Escape of water and frost damage to fixed water tanks, apparatus or pipes
- Escape of oil from fixed domestic oil-fired heating installation and smoke damage resulting from a defect in ANY fixed domestic heating installation
- Theft or attempted theft
- Impact by any vehicle or animal
- Subsidence, landslip or heave
- Falling of fixed radio and television aerials, fixed satellite dishes, their fitting and masts
- Falling trees, telegraph poles or lamp-posts

There is a £50.00 excess for “escape of water” claims.

Additional accidental damage cover is optional and must be requested from the Insurance Services Team at Keltan House.

Contact the team on 020 8356 2647

Making a claim

If you suffer from any of the insured risks as stated, please write to the Insurance Service Team at Keltan House, 89-115 Mare Street, London E8 4RU, or email andrewmiller@hackney.gov.uk who will send you a claim form. The claim form must be completed and forwarded to the Insurers by you.

You will be provided with instructions on what to do on receiving the claim form.

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Contents insurance

The Hackney Homes building policy does not insure your personal possessions or contents e.g. carpets, curtains, furniture, etc. Therefore, you are strongly advised to arrange your own contents policy. Contents insurance would normally cover events such as flood, theft, fire etc against damage. If an accident, such as flooding, occurs then your contents policy would normally enable you to claim for the damaged item on a “new for old” basis, thereby avoiding you trying to prove that someone else had been negligent. If you do not have a contents insurance policy and wish to make a claim against the Council, it is important to note that you would have to prove negligence and even if you proved a third party was at fault then any compensation would be on the basis of “less wear and tear” and not “new for old”.

You are strongly advised to have contents insurance.

Copy Policies

If you or your Solicitors require either a copy of the building policy or confirmation of cover, you must put your request in writing to the Insurance Service Team. All requests are dealt with on a strict “first come first served” basis and at least 10 working days should be allowed for your request to be dealt with.

It is regretted that telephone requests cannot be accepted due to the Data Protection Act.

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Contact Us

Leasehold & Right To Buy Services

Below are the Sections that make up the Leasehold & Right to Buy Services. You can contact us between 9am - 5pm Monday to Friday. We also open from 9.00am - 7.30pm on the second and last Wednesday of every month.

All our teams are located at:

Leasehold & Right to Buy Services
1st Floor, 298 Mare Street
London
E8 1HE

Customer Services (General enquiries)

- Sellers Pack
- Subletting

Phone: 020 8356 2100

Email: leaseholders@hackneyhomes.org.uk or freeholders@hackneyhomes.org.uk

Right to Buy

- Applications
- Offers

Phone: 020 8356 2010/2232

Email: RTB@hackneyhomes.org.uk

Service Charge Accounts

- Preparation/Billing of Estimates
- Preparation/Billing of Actuals

Phone: 020 8356 2099

Email: Service.charges@hackneyhomes.org.uk

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Service Charge & Major Works Recovery

- Payments and Arrears

Phone: 020 8356 2299

Email: major.works@hackneyhomes.org.uk and Service.charges@hackneyhomes.org.uk

Major Works

- Estimates and Invoicing

Phone: 020 8356 2400

Email: major.works@hackneyhomes.org.uk

The contents of this Handbook are believed to be accurate at the date of publication (November 2006).







