Estate charge Budget Summary 2020/2021

**Estate charges** on freehold properties. In a private **estate**, it is common that the homeowners must pay a contribution for the upkeep of the communal areas on the **estate**. This can include private roads, landscaped gardens and street lighting and is often referred to as an “**estate charge**” or service **charge.**

An estate charge is levied against property owners to help fund the provision of services and to carry out repairs and maintenance on the estate where the property is situated.
The estate charge is not for repairs or maintenance to your individual property but is for services that benefit the estate as a whole, the maintenance of communal areas, for example, playgrounds.

These areas or services are not maintained at public expense and are on privately owned land, and indeed, the provisions relating to the estate charge should be contained in your title documents. An estate charge enables the cost of providing the various services on the estate to be shared by all the properties there which enjoy the services. Estate charges may be the same for each property or may vary according to the rateable value of the property, the number of rooms or the floor area, and they generally include a fee for the management of the estate.

Council tax is charged and collected by local authorities to help fund local services such as refuse collections, the police and schools. It is calculated according to the rateable value of a property and the number of people living at the property.

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|  Summary of estimated costs  |
| Cost centre | Estimate   |
| Salary/Employment costs   | £40,880.00 |
| Equipment/Motor Vehicle   | £7,500.00 |
| Sinking Fund (Replacement of equipment) | £3,000.00 |
| External Repairs/Maintenance | £3,000.00 |
| Renewals and Replacements  | £600.00 |
| Inspection/Risk Assessment  | £1,200.00 |
| Insurance  | £2,500.00 |
| Cyclical Maintenance  | ------- |
| Landlord Lighting  | £500.00 |
| Equipment including IT | £600.00 |
| Management fee  | £12,500.00 |
| Rubbish | £1,000.00 |
| Bark | £500.00 |
| Soil | £500.00 |
| Other items  | £1,000.00 |
| Total  | £75,280.00 |
| Cost per home in 2020/21 | £302.12 |
| Cost per home capped in 2020/21 | £250.00 |

**Notes:**

The daily maintenance including, but not limited to:-

General routine maintenance:

* Grass cutting
* Maintenance of the non-adopted areas
* Repairs
* Litter picking
* Weeding and pruning
* Daily and Weekly Inspection

Non-routine maintenance:

* Replanting as and when required
* Repairs to managed areas

Please refer to Your Garden Village Guide – Maintaining your Garden Village for further information and Estate and Service Charges.

**Deed of Transfer**

A legal document called a deed of transfer is given on the purchase of the freehold property to the new owner. Essentially, it binds the freeholder to pay the charges. The transfer should clearly state:

* What the freeholder is expected to contribute towards
* The proportion of costs they should pay
* Dates on which payment is due

Part 5 – Restrictive Covenants by transferee

Part 6 – Personal covenants by transferee

A copy of the transfer document can be found on Myloftus.co.uk.