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FAQs

What are service charges?

A contribution toward the ongoing maintenance and management of Poplar Riverside is paid by owners by way of a service charge. This covers the usual costs of running the development – for more information on what this entails see the section 'Financial Management at Poplar Riverside'. When you purchased your property at Poplar Riverside, you will have entered into a contract, often referred to as a lease in the context of property. This contract or document sets out your obligations and one of these will be to pay what is commonly called service charges.

Service charges are monies collected and held in a trust account to fund the ongoing maintenance and management of Poplar Riverside including the wide range of plant and machinery servicing the building. Putting it simply service charge money goes toward making sure Poplar Riverside is safe, clean, comfortable, and well maintained. It also provides for a staff presence, ensuring our residents and the building are taken care of to the highest standard. That means day-to-day tasks, like gardening, can be taken care of and it means bigger jobs, like refurbishing the lifts, can also be funded as and when needed using the reserve fund created via the service charge collections.

What is a reserve fund?

Each year contributions will be made toward a Poplar Riverside reserve fund. This fund will accrue monies toward future major cyclical renewal or replacement projects. The basis for the annual collections will be further defined via the production of a long-term maintenance plan for the development, produced in the first or second year after construction has been completed. The ongoing reserve collections will then be modelled on this basis.

It is important to note that whilst the aim is to ensure the reserve fund covers the cost of the majority of future major works there are a variety of factors, including acts of God, that can change the requirements from year to year. This may mean that on occasions the reserve fund cannot fully fund all required works in each period. If this is the case the lease provides for an additional collection from owners if needed.

What happens if I do not pay my service charges on time?

When any professional managing agent collects service charges they should, as POD does, hold the service charges in a separate trust account specific to your respective development. This trust account essentially holds the pot of money that can be utilized to instruct repair works, fund regular cleaning and place insurance, amongst other things. As a result, if there is not enough money in this pot to fund any necessary work or activities, for example the placing of buildings insurance, we simply cannot proceed to instruct what is necessary.

Therefore, any payment delays will potentially impact the ongoing provision of services to your development. Above and beyond this if items such as the building insurance premium cannot be paid this can potentially impact your mortgage, or any other comparable financing arrangements. Therefore, we do have to proactively ensure the collection of service charge funds in accordance with the demand periods and billing dates.

POD Management is the trading name of POD Group Services Limited, a limited company registered in England and Wales no. 11041782.
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Can I pay in instalments?

Your lease defines the frequency of service charge payments as half yearly, meaning POD will levy service charges in January and July each year. Unfortunately, this frequency cannot be altered, and the terms have generally been set to ensure the development is appropriately funded on an ongoing basis.

In this context, it is important to be mindful that some important services, such as insurance, are funded via lump sum payments at certain points in the year – for example when the insurance policy renews. Therefore, paying service charges via instalments can mean it isn't possible to settle these costs as and when they fall due and when this is the case it simply may not be viable to consider instalment payment terms. As a result, service charge payments are required in full, in line with your lease on 1st January and 1st July annually, upon receipt of a demand to ensure the development can continue to operate efficiently.

How much are service charges?

The cost of your service charge will vary depending on several factors. Variables like the number of homes at Poplar Riverside, the facilities available and the size of your home will all have an impact.

The service charge for your development is based on an estimate or budget we prepare each year which takes account of all the estimated running costs relating to the communal areas of your development.

Generally, service charges are payable by everyone living at the development, or whoever benefits from the service charges being collected to fund ongoing maintenance. The charges are divided up into portions – the method of doing so is broadly identified in your lease, it is based on the size of your property and the number of properties benefiting from any particular service or area of the development.

We will always aim to keep the service charge at a steady level. Shortly after the end of each financial year we account for what has been spent and compare this to the estimate at the start of the year. Any overspend (deficit) is then collected from owners and any underspend (or surplus) is held by the Landlord on account of future service charges.

Financial Management at Poplar Riverside

The leases for the development establish Poplar Riverside's financial year end as the 31st of December, with six-monthly billing dates specified as the 1st of January and 1st July each year.

This means we will demand service charges twice a year, approximately 30 days in advance of the 1st of January and 1st of July. These charges must be settled within 14 days of the respective billing dates, in order to ensure the development is appropriately funded.

Prior to the 1st of January each year we will review the developments maintenance and management requirements, any key trends, planned works or issues, and set a new annual estimate for the development. The six-monthly service charges for the forthcoming year will then be based on this annual estimate.

After the year end, we will review the expenditure incurred against the annual estimate and produce accounts for Poplar Riverside. These accounts are then independently audited before any surplus is held by the Landlord on account of future service charges, or deficit debited from owners so that the accounts may be issued to all.

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The service charges at Poplar Riverside are apportioned on a square footage basis to all owners, in relation to the services or maintained areas which each owner benefits from. As an owner at Poplar Riverside, you would contribute toward the following cost items, amongst others, as part of the ongoing management and maintenance of your development: -

- Buildings Insurance
- Utilities
- Cleaning
- Maintenance
- Mechanical and Electrical Maintenance
- Amenity Management and Maintenance
- Reserves
- Legal and Professional Fees

How to pay my service charge?

It's important you make sure you are up to date with your payments in order to ensure the development has the necessary funds for it to be suitably maintained moving forwards.

Payments can be made by BACS to the following account:

Account name: **POD General Client Account**

Sort Code: **23-05-80**

Account No.: **28090471**

Please ensure you include your customer reference number which can be found on your Statement of Account.