

Sinking Funds

Frequently Asked Questions & Answers

Why introduce Sinking Funds?

Up until now we have sent a bill for the total the cost of all major works to Leaseholders at the time the works have been completed.

We now want to provide a more effective leasehold service. The operation of Sinking Funds is recognised as best practise and a better way to plan for major works.

We were not made aware that we did not have these in place. Why?

Nothing was ever provided to suggest that you did have them in place.

The Trust has not included sinking fund contributions within previous service charges.

Have we not already been paying them through our service charges? What is the management charge?

No. A sinking fund contribution would show up as a separate charge on your invoice/statement - your charges are detailed.

The management charge is effectively an admin fee and is charged as per your lease agreement.

What's the difference between service charge and a sinking fund charge?

Service charges relate to the services the block receives throughout the year.

A sinking fund is a fund that is built up over time from which the costs of major component replacements can be taken. If this fund is not in place an invoice would be sent for any major component work on completion.

How much will it cost me each month?

This will vary from block to block and will be dependent upon when your blocks major components are due for renewal and the expected replacement cost.

Will it be clear what the Sinking Fund will be used for?

Yes an annual statement will be sent detailing the movements on your sinking fund.

Why do Peaks & Plains want to do it now?

It should have been done historically and the new Executive team at the Trust think it is the right thing to do.

It will enable leaseholders to better manage the costs related to homeownership rather than having significant peaks and troughs.

Is it because of cladding costs?

No. There were no issues with the cladding on the Trust's high-rise buildings.

What if I am in a position where I can't pay?

It is important that you speak to us as soon as you think you'll struggle to pay. We're here to help. The Trust will discuss payment plans if required.

Are there any major works due soon?

This will vary from block to block however information will be provided prior to carrying out works.

We will continue to consult with you in relation to all major works, the costs and the contractors used to carry out these works.

What's the difference between major works and day-to-day repairs?

Major works would typically be component replacement and structural works such as roofs, boundary walls and pathways where the existing component is removed and replaced with new.

Cyclical decoration of properties and brickwork repointing works would also be included in this category.

Day to day repairs are generally unforeseen requirements and do not result in a full replacement of that component.

Who manages the logistics of the major works?

These are managed by the Asset Team.

How are the Sinking Fund contributions calculated?

In order to work out the contributions required, we:

- Look at what will need replacing in the future
- Identify the anticipated replacement cost and lifespan of the component.
- Regularly review the funds and the conditions of the components to ensure they remain adequate.

Do Peaks & Plains pay for their part of the upkeep for the tenanted properties or does it all fall on leaseholders?

Leaseholders only pay for their share of the work. The tenanted properties share of the work is picked up by Peaks & Plains.

How can I pay?

You can pay by:

- Direct Debit. This is the easiest way to pay and can be set up on any day in the month, that suits your lifestyle best. You can download our direct debit form from the website.
- By Standing Order
- At the bank
- Or by post. Only cheque payments can be made through the post.

If you are struggling to pay please talk to us. We are here to help.

What if contributions are over estimated and the actual cost of work is less than expected?

No monies will be taken from the funds until the works are complete. Only the actual costs of the works will be taken from the Funds. On completion of any works the funds and future required contributions will be reviewed and adjusted accordingly.

I do not want to pay these charges – who can I complain to?

You will need to go through our complaints process. You can find our Complaints Policy here:

peaksplains.org/you-and-your-home/complaints-and-compliments/