

How can 'AWICS' help with Service Charges?

Service charges are an integral part of landlords' work in financing value for money services and sustaining customer satisfaction. Housing Associations have traditionally levied service charges with most local authorities in England introducing them in the 'noughties'. In Wales, local authorities and housing associations have introduced service charges as part of the Welsh government's new rent policy. Service Charges are also made in Scotland.

According to the Homes & Communities Agency's global accounts of private registered providers, housing associations in England spent £1.5billion on service costs in 2016 but recovered only £1.2billion in service charges. This represents an under-recovery of £300million (20%). The situation in local authorities and in Scotland and Wales is similar. Many social landlords have significant scope to raise revenue and achieve good practice by moving towards the full recovery of service costs.



Adrian Waite, Managing Director of 'AWICS'.

The calculation and management of service charges for leaseholders and tenants can be complex. We have recently worked with a number of social landlords on various aspects of service charges.

Service Charges 'Health Check'

We have devised a service charge 'health check' that offers social landlords a comprehensive high level review of special and communal services and service charges to establish their robustness, effectiveness and sustainability and that offers recommendations for improvement.

The 'health check' asks and answers the following questions:

- What do services cost to provide and is income maximised?
- Does the service comply with legal requirements and good practice?
- Does the service offer value for money?
- How good are the property data, accounting systems and charging mechanisms?
- How good is the input and monitoring from residents?
- What service charges are eligible for housing benefit and what is the impact of welfare reform?
- Could further charges be de-pooled?

This is a useful check for landlords who would like to establish the strength of their existing approach to services and service charges and whether and how that approach can be improved. However, we can also tailor this standard approach to the individual requirements of a client. For more information, please contact Adrian Waite at Adrian.waite@awics.co.uk

Publications

We publish a 100-page guide to service charges entitled 'All You Want to Know about Service Charges in Social Housing'. The latest edition was published in February 2017. For more information or to order a copy, please visit our website at: <http://awics.co.uk/all-you-want-to-know-about-service-charges-2017-publication>

Introducing and De-Pooling Service Charges

We have developed a methodology for introducing and de-pooling service charges that enables us to identify the scope for new and / or increased service charges and to develop options for their introduction. Our methodology includes:

- Considering what to charge for based on statute, case law and the provisions of leases and tenancy agreements
- Identifying the merits of fixed or variable service charges
- Identifying all appropriate costs
- Identifying options for apportioning costs between schemes, leaseholders and tenants based on the best available information
- Ensuring charges represent Value for Money
- Identifying the implications for benefit eligibility
- Keeping it Simple
- Consulting residents and providing complete information

This is a useful process for landlords who would like to examine the scope to introduce new service charges or to vary existing service charges as part of a strategy to maximise income or improve value for money. However, we can also tailor this standard approach to the individual requirements of a client. For more information, please contact Adrian Waite at Adrian.waite@awics.co.uk

Training Opportunities

We provide seminars on 'All You Want to Know about Service Charges in Social Housing'. These seminars address the following questions:

- How do Service Charges work in Housing Associations and Local Authorities and for Leaseholders and Tenants?
- How are service charges calculated?
- How to de-pool service charges?
- Legal obligations, accounting guidance and good practice
- When are service charges eligible for housing benefit / universal credit?
- How to ensure excellent customer service?

The sessions are accompanied by a very useful 100-page book that is designed for reference after the session entitled: **"All You Want to Know about Service Charges in Social Housing 2017"**

The Venues and Dates of the next session is:

- **Cardiff:** Novotel Hotel, Cardiff – 12th September 2017

For further information or to book a place please visit our website at: <http://awics.co.uk/all-you-want-to-know-about-service-charges-in-social-housing-in-wales-2017>

This seminar is also available in-house. The in-house sessions are similar to the open seminars but are tailored to local requirements. For further information about in-house sessions, please visit our website at: <http://awics.co.uk/in-house-service-charges>

For any enquiries about how we could assist with service charges please contact Adrian Waite at Adrian.waite@awics.co.uk or on 017683-51498.
