

## 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.

It appears from the global accounts of registered providers that most housing associations are under-recovering service charges by about 12% and the situation in local authorities is similar. We recently assisted a Borough Council in England with a review of service charges and found that they were under-recovering their costs by £1.2million. 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 several social landlords on various aspects of service charges.

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### 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](mailto:Adrian.waite@awics.co.uk)

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### 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 2020. For more information or to order a copy, please visit our website at: <https://awics.co.uk/all-you-want-to-know-about-service-charges-in-social-housing-4>

## 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](mailto:Adrian.waite@awics.co.uk)

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## 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?
- When are service charges eligible for housing benefit / universal credit?
- Service Charges in Flats
- Service Charges in Supported Housing
- Service Charge issues and 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 2020"**

### The Venues and Dates of the next sessions are:

- **London:** Novotel Hotel, Waterloo – 18<sup>th</sup> February 2020
- **North:** Novotel Hotel. Leeds – 2<sup>nd</sup> June 2020
- **London:** Novotel Hotel, Waterloo – 6<sup>th</sup> October 2020

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

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>

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

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