

# AWICS Housing News – February 2014

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**Impact Housing opens a new scheme at Grasmere, Cumbria. An example of a financially stable housing association.**

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## Housing Associations continue to be financially stable

The social housing sector once again remains financially strong and continues to access sufficient finance, according to the latest quarterly survey (2013/14 Quarter 3) published by the Homes and Communities Agency in February 2014.

As the Regulator of social housing providers, the Homes & Communities Agency undertakes a quarterly survey of housing providers to establish the levels of exposure to a range of risks faced by the sector. This report is based on a survey of all private registered providers owning and/or managing more than 1,000 homes for the quarter ending December 2013.

The report concludes that the sector continues to have access to sufficient finance, with 92% of providers having sufficient facilities to last 12 months or more. New facilities of £2.1billion were arranged in the quarter, with 74% coming from capital market funding including private placements.

The sector continues to develop and sell affordable home ownership (AHO) properties. 2,121 sales were achieved in the quarter and the stock of unsold properties reduced to 2,751. The number of affordable home ownership properties forecast to be developed in the next eighteen months increased to 18,886. This indicates a potential increase in sales activity in this time period, meaning that providers must manage the associated risks effectively.

Year to date total revenue from asset sales is £1.8billion, a 20% increase compared with December 2012.

Jonathan Walters, Deputy Director of Strategy and Performance, said:

*“This quarter’s survey indicates that the sector continues to manage its risk exposure in respect of affordable home ownership sales and its mark-to-market collateral position. The sector as a whole remains financially strong with £11.3bn undrawn borrowing facilities in place.*

*“Whilst it is difficult to draw conclusions at this early stage, the sector has so far been able to manage the impact of welfare reform on their cash flows. The Regulator will continue to monitor income collection to ensure that providers effectively mitigate any downside risks to their financial position.”*

This is welcome news as many have feared that the recession, reduced levels of social housing grant and welfare reform may adversely affect the financial stability of housing associations.

The Homes & Communities Agency is a client of AWICS to whom we have provided in-house training in local authority and housing association finance.

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### **Sevenside Housing Association and Performance**

AWICS has recently completed a Value for Money review for the Asset Management Division of Sevenside Housing Association – an association with 5,500 homes based in Shrewsbury.

In January 2014, Sevenside Housing was awarded four stars in the ‘Recognised for Excellence R4E’ programme that is part of the European Foundation for Quality Management ‘EFQM’ Excellence Certification Programme delivered by the British Quality Foundation (BQF).

The EFQM Excellence programme is designed for organisations that are well on their way to organisational excellence. It recognises successful organisations that implement excellence and good practice and offers the benefits of a structured approach to identifying existing strengths and areas for improvement.

Companies are assessed and scored by a BQF Assessor Team against the EFQM Excellence Model and depending on the number of points achieved are awarded three, four or five stars.

Peter Donovan, Resources Director at Sevenside Housing said:

*“We are extremely proud to have been awarded four stars by the British Quality Foundation. It is a fantastic achievement and a clear indication of Sevenside Housing’s business and organisational strength.”*

Ian Stokes, Interim Chief Executive of the BQF, said:

*“Sevenside Housing’s excellence journey is officially off to a great start with four star certification at its first attempt.”*

The association has also made the news for its work on supporting communities, financial inclusion, the environment and supporting local employment.

In January 2014, Severnside Housing was awarded a grant of £7,000 from the Big Energy Saving Network Fund managed by the Department of Energy & Climate Change. Severnside will use the grant monies to train both their staff and volunteers from partner organisations to work with them in the local community to help their customers make informed decisions regarding energy efficiency and savings.

Once trained, staff and volunteers will go out into the community and deliver tailor-made Big Energy Saving sessions designed to help people reduce their energy costs by making informed decisions regarding differing payment options, tariffs, switching provider and taking up energy efficiency offers.

Local organisations including the Citizens Advice Bureau, Just Credit Union, Shropshire Towns & Rural Housing, Fairshare Credit Union, Shropshire Housing Group and North Shrewsbury Friendly Neighbours have already signed up to take part in this initiative with some of the sessions being run in partnership with the Rural Community Council for Shropshire.

Although the Big Energy Saving Programme is targeted to help older people, people with mental health needs, low income families and people with budget management issues it will be available to anyone, including home owners and private tenants.

Severnside has already started Big Energy Saving training and has an ongoing schedule of Training Events. Wendy Brookfield, Head of Community Services at Severnside, who won the bid, said:

*"We are absolutely delighted to have received this grant money, from the Department of Energy & Climate Change, enabling us to help and support our customers and their wider-community. We are well aware that a huge amount of our customers spend a large proportion of their income on fuel bills and the impact this can have on people on a tight budget. By training our staff and volunteers and working with partner organisations, we will reach as many people as possible, giving them access to energy efficiency advice and showing them that they do have choice when it comes to energy providers."*

The association is also inspiring its customers to start saving by offering a great new initiative. All their customers have to do is open an account at one of Shropshire's two Credit Unions and Severnside will pay £10 straight into their account to help get them started. Once the account reaches £50 a further £10 reward will be added to say 'well done' and encourage them to keep saving.

Severnside were alarmed at the increase in pay day loan companies and door step lenders who offer loans at extremely high interest rates, which can prove impossible to pay back. They are also concerned that welfare reform changes and the introduction of Universal Credit, paid in monthly arrears, means that a large proportion of their customers need to learn to manage their budget and money in new ways and they want to do everything they can to support them.

A Credit Union is a not-for-profit 'community bank' owned and controlled by its members. Members are encouraged to save what they can and only borrow what they can realistically afford to repay. Credit Unions are an affordable alternative to payday loan companies and door step lenders, which is why Severnside are so keen to promote the benefits to their customers.

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Shropshire has two Credit Unions – FAIRshare Credit Union and Just Credit Union. Junior Child Accounts are available from birth with free membership and Severnside are also offering £5 to start off these accounts.

Severnside also has team of staff available to help customers with benefit enquiries, rent arrears, debt, doorstep lending and unemployment. The team has already helped many customers manage debt and successfully find work. Sue Dell, Severnside Housing's Community Development Manager said:

*"We understand how hard it is in the current financial climate for our customers to manage their money and save for the future. Borrowing money from a pay day lender or loan shark may seem like a good idea but it is far better to borrow money from a credit union. A few hundred pounds borrowed from a high interest lender can very quickly turn into a huge debt with little chance of ever paying it off. We really want to help our customers successfully manage their money and save a little for the future."*

Staff and residents at Severnside Housing raised money during December and January for Hope House – donating a fantastic £188.50. Hope House Children's Hospices provide specialist nursing care and support to life-limited children, young people and young adults from Shropshire, Cheshire, North and Mid Wales. Severnside office staff raised money by holding a number of raffles and a guess the name of the cuddly rabbit, who was aptly named Peter! Staff also donated money to write Christmas wishes to each other on baubles hung on the office Christmas tree.

Severnside residents living at Cross Hill Court, Moston Green and Greenacres Sheltered Housing Schemes raised money by taking part in an Inter-scheme Quiz, using Skype to see and speak to each other. Each scheme had a quiz master and residents had great fun battling it out over a number of general knowledge rounds.

Vanessa Thomas from Hope House who recently visited Severnside's offices to collect the donation and thank everyone involved said:

*"In the current challenging financial climate we are totally reliant on our regular supporters for donations to keep the doors of Hope House open and our services running. Severnside has been supporting us for many years, their help is so appreciated by everyone at Hope House and we can't thank them enough."*

In February 2014, Severnside Housing announced the appointment of local company, SJ Roberts Construction Ltd, for the redevelopment of Heaths Houses in Shrewsbury. The redevelopment project, with a contract value of nearly £3.4million, is due to start on site in early March 2014. 41 new homes will be build; 32 flats and 9 houses, with a mixed tenure of social and market rent, shared ownership and open market sale. Sarah Boden, Chief Executive of Severnside Housing said:

*"We are looking forward to partnering with SJ Roberts Construction Ltd on this extremely significant redevelopment project in the historical Abbey Foregate area of Shrewsbury. These are really exciting times for Severnside as Heaths Houses will also be our first foray into building homes for sale on the open market."*

Michael Sambrook, Managing Director of SJ Roberts Construction Ltd added:

*"We are delighted to be selected as Main Contractor on this very prestigious project and to be working once again with Severnside Housing. We look forward to providing the homes that this site deserves, being one of the main gateways into Shrewsbury. We will also endeavour to include the local community and schools during the project build."*

This example shows how a housing association can add value by supporting communities, financial inclusion, the environment and local employment.

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### **Irwin Mitchell takes Sandwell Council to Judicial Review**

AWICS has supported Irwin Mitchell in a number of judicial reviews through providing financial advice and information and acting as an expert witness in local authority finance. Most notably we supported Irwin Mitchell in the judicial reviews of Adult Social Care budgets at Birmingham City Council and the Isle of Wight Council where the council's budgets were quashed. Further information on this is available on our website at: <http://www.awics.co.uk/publicAdministration.asp>

The latest judicial review in which Irwin Mitchell is involved relates to Sandwell Council's 'unfair' housing policy. In this case, a disabled couple is challenging Sandwell Council's decision to offer a lower discretionary payment after including disability payments in their income. Lawyers consider that this amounts to 'disability discrimination' and is in breach of human rights laws, but the local authority considers that it is interpreting guidance 'correctly'.

The case follows changes to benefits introduced last year, which the government said were designed to make the system fairer. Council tenants Harry and Jane Hardy have two spare bedrooms and said they had seen their housing benefit cut as a result. Sandwell Council's policy will be challenged at Birmingham's Administrative Court at a date yet to be decided.

Fiona McGhie, a lawyer with Irwin Mitchell, said the couple were now forced to use part of their Disability Living Allowance (DLA) to cover the shortfall in rent. She said DLA was designed to cover the 'day-to-day' costs of living with a disability and should not have been included in the council's considerations when deciding the level of Discretionary Housing Payment (DHP). Ms McGhie said Mr and Mrs Hardy were on the housing register and willing to move to a smaller property as long as it met their needs - such as not involving stairs or a long walk to the property. She said:

*"High-profile changes to the housing benefit scheme last year mean that many families have seen their housing benefit cut if they have a spare bedroom – which is why the changes have been widely referred to as a 'bedroom tax'.*

*"As a result of this, our clients face a shortfall between their benefits and outgoings which means they currently need to also apply for a DHP to simply keep a roof over their heads.*

*"However, the key problem is that Sandwell, like many other councils, is now taking into account DLA when decided on the amount of DHP they are eligible to receive – a decision we believe is unreasonable and not theirs to make. The effect of the decision is to drive disabled people into poverty.*



*"This is a lose-lose situation for our clients – not only do they receive a smaller amount of DHP due to getting DLA, but as a result they then have to use part of their DLA to meet housing costs which we believe should be covered in their entirety by DHP. The lack of availability of alternative accommodation also means they are locked into this scenario.*

*"With many local authorities following similar principles to Sandwell, we feel that the judgement in this case may have a major impact on the future of how councils assess benefits issues and will provide clarity to the law around this complex area.*

*"This policy essentially means councils are determining or passing judgement on what disabled people should be using their DLA for without clear legal authority to do this. DLA is paid to meet disability related costs – not housing costs. We are determined to do everything possible to ensure that our client gets their voice heard on this hugely important issue."*

*"Many local authorities are following similar principals to Sandwell, and we feel the judgement in this case may have a major impact on how councils assess benefits issues in the future."*

Irwin Mitchell Solicitors claim that their clients have been living in their home for more than 20 years and would be more than happy to downsize to a smaller property but a lack of any suitable properties mean that they are left with no option other than to pay the bedroom tax.

A spokesman for Sandwell Council said:

*"We believe we have interpreted the government's legislation correctly, but we are giving this matter active consideration".*

In July last year, the High Court dismissed claims that the government's cuts to housing benefit discriminated against disabled people.

The Department for Work and Pensions (DWP) provides £25million a year in discretionary housing payments to allow local authorities to provide support for tenants affected by the changes to benefits.

Welfare reform clearly has serious implications for disabled people. This case highlights the need to ensure that welfare reform is implemented in a way that is consistent with the rights of disabled people.

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## **Oldham Council finds innovative ways to provide new homes**

Oldham Council is building on its good reputation for innovation by finding innovative ways to provide new homes.

In January 2014, the Council encouraged residents who are in employment, training, or make some form of contribution to improving their community to apply to live in the first new homes built as part of a major regeneration project.

The first eight new homes at Keswick Avenue, Fitton Hill – built as part of the £113million 'Gateways to Oldham' PFI scheme – will be ready to move into from March. The Council is encouraging households to apply who have at least one member either working, in a work-related training programme, are volunteering or caring for a family member. As all the homes on this site will be let through the council's Choice Based Lettings scheme, anyone interested must register with the local authority.

The new homes, on the site of the long demolished Fitton Hill Junior School, will be built to Level 3 of the Code for Sustainable Homes meaning that they will be high quality and eco-friendly. Solar thermal technology and A-rated gas boilers will ensure that the council's target to reduce carbon emissions by 10 per cent target will be met by on-site energy sources. The homes will be managed on the Council's behalf by Great Places Housing Group, and will be built by Wates Living Space as part of the Inspiral Consortium. A further seventy homes for affordable rent, which are under construction on the site, will be available later this year.

Councillor Dave Hibbert, Cabinet Member for Environment and Housing, said:

*"As a co-operative council, we are very keen to ensure that people who do their bit for our community are recognised when it comes to allocating these 78 new high quality homes. Whilst we recognise the importance of meeting housing needs, most of these houses will be offered to those who are making a valuable contribution in their communities to apply. Many working families often don't think social housing is for them but these are aspirational homes and we want to encourage people who are adding value to the community to consider them as an option. These new builds will provide much-needed family homes and are another milestone in the regeneration of Fitton Hill."*

A community custom 'self-build' project was given the green light by the Council in February 2014 to begin the construction of 37 homes in South Werneth. As part of its wider plans to complete the regeneration of the area following the loss of Housing Market Renewal (HMR) funding, the council is selling the land between Cambridge Street, Durham Street and Lynn Street to a community-led association. Community Build Werneth Ltd (CBW) is set to create bespoke four- to six-bedroom detached homes in what is said the largest such scheme in Greater Manchester. Around a year ago, opportunities for residents interested in custom build were promoted in the former HMR areas. Following a series of meetings, interested residents formed CBW, which, with professional advisers, has developed plans for the Werneth site. Councillor Dave Hibbert, Cabinet member for the Environment and Housing said:

*"As a co-operative council, we want to offer residents the opportunity to collectively own and develop the type of housing that they want in their area. This scheme will enable economically active families to remain in their neighbourhoods and the development will help play a key role as part of our wider plans with residents and partners to regenerate Werneth."*

The 37 custom built homes form part of a wider plan by the council to complete the regeneration of South Werneth that includes:

- The council selling 'under licence' 38 properties, which are being brought up to a high-quality standard.
- A major scheme underway with Great Places Housing Group to convert 33 empty homes into 20 new family houses. This is due for completion by March 2014.

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Proposals to develop 49 hectares of agricultural land as an employment-led mixed-used scheme with up to 500 homes were approved by the Council in February 2014. The plans, submitted by Grasscroft Property and Seddon Developments, would see the clearance of farm buildings from the site at Foxdenton that is around 1.5 miles west of Oldham. Members of the authority's planning committee approved a hybrid application that gives full permission for demolition work at the site and the creation of a new spine road.

The application's outline element approves the construction of up to 500 homes, 66,460 square metres of commercial floorspace, split between light industrial, general industrial, and storage and distribution uses, and a new linear park. Councillors were told that the site was identified in the borough's 2011 joint development plan document as able to provide 'approximately half' of Oldham's required additional employment land up to 2026, and that allocating up to 25% of the site for housing was considered acceptable.

Recommending the scheme for approval, planning officers said in a report that the application proposals accorded with planning policy at national and local levels and added:

*"In addition, significant weight should be afforded to the considerable scheme benefits, including the delivery of a premium business location, significant job creation, the delivery of aspirational and affordable housing, the provision of publically accessible green infrastructure and other environmental benefits."*

The Council is also set to discuss measures to encourage more people into social housing as homes sit empty due to the under-occupation penalty. Following the introduction of the under-occupation penalty in April last year, social landlords across Oldham have seen a fall in demand for two and three bedroom flats, maisonettes and, in some areas, houses.

Cabinet has been asked to approve proposals which aim to tackle this issue as well as enable the council to better manage its Housing Register. Following detailed discussions with Oldham's Registered Providers (RPs), customers and councillors, three proposals have been outlined to tackle the current fall in demand for certain type of properties and provide a fairer approach. They include:

- Reducing the number of reasonable refusals from three to one. This will ensure customers, who can view details of properties online, take greater responsibility when placing bids and only bid for homes that they are genuinely interested in.
- Replacing the current 'unacceptable behaviour' test for eligibility to join the housing register with a new test that will enable the council to accept those applicants who are likely to make a success of their tenancies. Pre-tenancy training and advice is available to support this.
- Amending the housing-related debt policy so that households with no housing need, but who have housing-related debts from previous tenancies will be expected to clear it before they are considered for a tenancy. Initially, they will only be considered for difficult to let properties.

In addition, households who have been given priority on the register but who have housing-related debt of less than £500 will be asked to reduce it by 50% to be considered for an offer immediately after joining the register. If a household is unable to afford this, they would be expected to make twelve consecutive payments towards the debt at an agreed level before they are considered for an offer. Until they meet these conditions, these households would only be considered for hard-to-let properties.



Alongside this review- and to increase demand - the council is re-launching its 'WorkingXtra' initiative to increase the number of lets to those who are working or making a valuable contribution through training, volunteering or caring for a household member. Councillor Dave Hibbert, cabinet member for environment and housing, said:

*"Many people and families often don't think social housing is for them but there are houses across the borough that are available and we want to encourage people who are adding value to the community to consider them as an option. We recognise the importance of meeting housing needs but as a co-operative council, we are very keen to ensure that people who do their bit for our community are recognised."*

AWICS has recently completed a project at Oldham Council that involved providing advice and financial modelling of service charges. Representatives of Oldham Council also attend AWICS seminars and workshops.

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### **Scottish Local Authority Housing Income and Expenditure**

The Scottish Government published its latest 'Local Authority Housing Income and Expenditure' statistics on 15<sup>th</sup> November 2013. We have published a briefing paper that summarises and comments on the statistics.

The summary provides the latest information on, and key trends in, Local Authority housing revenue account income and expenditure in Scotland. It covers the period 1997/98 up to Local Authorities' budgeted estimates for 2013/14. The 2013/14 figures are estimates only and they will be revised in next year's bulletin. The obligation on Scottish local authorities to account for expenditure and income on council housing through a ring-fenced housing revenue account is derived from the Housing (Scotland) Act 1987.

Expenditure on management and maintenance continues to increase in real terms and to show significant variations between authorities. Average expenditure on management and maintenance is expected to be £1,862 per house in 2013/14, an increase of £87 per house since 2012/13. Within this total:

- Supervision and Management costs are expected to be £758 per house in 2013/14, an increase of £59 per house since 2012/13 and have risen faster than rents over the period since 1997/98;
- Repairs and maintenance costs are expected to be £1,104 per house in 2013/14, which is £26 per house higher than in 2012/13. These costs have risen in line with rents in the period since 1997-98.

The trend for supervision and management costs to increase faster than repairs and maintenance costs continues.

In 2013/14, the 26 Local Authorities with council houses estimate spending £600million on the management, repairs and maintenance of their council houses. This expenditure represents £1,862 per house, an increase of £87 (4.9%) per house since 2012/13. This continues a trend for expenditure on management and maintenance to increase in real terms. Planned spending ranges from £1,613 per house in West Dunbartonshire to £2,402 in Edinburgh.

Within overall management and maintenance expenditure, average annual supervision and management costs are estimated to be £758 per house in 2013/14, an increase of £59 (8.4%) per house since 2012/13. During the sixteen years between 1997/98 and 2013/14, expenditure per house on supervision and management increased by 66% in real terms. Supervision and management costs in 2013/14 are expected to range from £384 per house in Shetland to £1,318 per house in Perth & Kinross.

Average annual expenditure on repairs and maintenance is estimated to be £1,104 per house in 2013/14, which is £26 (2.4%) per house higher than in 2012-13. In the seventeen years from 1997/98 to 2013/14, expenditure per house on repairs and maintenance increased by 15% in real terms. Estimated spending on repairs and maintenance in 2013/14 ranges from £687 per house in Perth & Kinross to £1,534 per house in Orkney.

The trend for real increases in expenditure and the variation in expenditure between authorities has led some commentators to question whether we can be sure that value for money is being achieved in all cases.

The Scottish Government points out that differing accounting practices and differing service provision amongst local authorities mean that the figures for individual authorities may not always be directly comparable and the estimates for management & maintenance expenditure should be treated with caution. In the case of management costs, as local authorities differ in the extent to which central administration and related service costs are included, individual figures may not always be directly comparable.

This apparent inconsistency in the financial information makes it difficult for local authorities, tenants and the Scottish Government to consider whether value for money is being achieved. It may therefore be appropriate for consideration to be given to ensuring greater consistency either in the preparation of accounts or in the preparation of financial information so that more meaningful comparisons can be made.

Budgets for 2013/14 confirm trends that have been evident during recent years in Scottish local authority housing finance. Capital investment continues to increase and is being funded increasingly through borrowing. Costs are increasing because increased borrowing leads to increased capital financing costs and also because of real increases in management and maintenance costs. This is resulting in real increases in rents.

Rents and levels of expenditure vary significantly between different authorities. This is partly due to historic decisions about capital expenditure and financing that have led to different levels of debt but also results from variations in expenditure. This has led some commentators to question whether value for money can be demonstrated to be achieved by all local authorities. However, differences in accounting practices make meaningful comparisons difficult.

A copy of the briefing paper can be freely downloaded from:  
<http://www.awics.co.uk/sclahfinbp.asp>

We are holding a seminar and workshop: 'All You Want to know about Scottish Social Housing Finance' in Falkirk on 13<sup>th</sup> May 2014. More details are available on our website at:  
<http://www.awics.co.uk/scotfin.asp>

## Service Charges

I am finding that there is increased interest in service charges in both housing associations and local authorities, prompted by the need to raise revenue and to ensure that service charges are calculated robustly and cannot be challenged. We are therefore offering a range of services to clients including:

- A seminar and workshop (see advertisement at the end of the newsletter)
- In-house training
- Management consultancy support to clients including advice and financial modelling
- A useful guide entitled: 'All You Want to Know about Service Charges in Social Housing'
- A range of free briefing papers

Revenue service charges are charged to leaseholders and tenants and charges must reflect actual costs and be reasonable. Capital service charges are charged to leaseholders only and must reflect actual costs and be reasonable. There is also a requirement to carry out specific consultation (including issuing section twenty notices) and demands for payment must be made within eighteen months of works being completed.

Leaseholder service charges must be provided for in the lease – including the capital and revenue items. Tenant service charges must be provided for in the tenancy agreement and include revenue items only. There is a need to decide what items to charge for. For example, many landlords charge for the maintenance and replacement of lifts in blocks of flats. However, in 2002 the then Office of the Deputy Prime Minister issued guidance to local authorities stating that service charges should not be introduced for lifts in flats because being able to use the lift is integral to the tenancy.

In determining what should be included in service charges a social landlord should consider the lease and tenancy agreements, legislation (especially the 1985 and 1987 acts) and case law. In considering the eligibility of particular services within a service charge for secure tenancies a rent officer would consider:

- Whether the item was approved by the tenants
- Whether the cost is reasonable when compared with similar services in similar properties

Service charges are commonly levied to cover the following costs:

- |   |                                       |
|---|---------------------------------------|
| • Staffing costs (including scheme managers, caretakers and cleaners) | • Television systems                  |
| • Heating and hot water fuel charges                                  | • Leisure facilities                  |
| • Light and power to communal areas                                   | • Gardens and grounds                 |
| • Cleaning and refuse disposal  | • Roads and car parking               |
| • Carpets and furnishings   | • Water supplies and sewerage charges |
| • Laundry equipment, white goods and specialist equipment             | • Local taxation                      |
| • Building plant, equipment and installations                         | • Management costs                    |
|   | • Audit fees                          |

The calculation of service charges should include both the direct and indirect costs of the service including appropriate overhead and administration costs. Overhead and administration costs may need to be apportioned or allocated as described below.

It is necessary to decide the level at which costs will be collected. This can be done at block, estate, scheme or district level. Then there is a need to decide how to apportion costs to dwellings with units, bedrooms and bed spaces being common methods. There is sometimes an intermediate stage of apportionment, for example, using floor space to apportion costs between schemes.

Our latest briefing paper addresses the calculation of service charges and concludes that in calculating service charges, social landlords should:

- Decide what to charge for based on statute, case law and the provisions of leases and tenancy agreements
- Decide between fixed and variable charges
- Identify all appropriate costs
- Apportion costs between schemes and tenants based on the best available information
- Ensure charges represent Value for Money
- Keep it Simple
- Consult and provide complete information

It includes sections on:

- What should go into a service charge?
- Administration
- Staffing Costs
- Supporting People
- Heating, Lighting and Energy
- Cleaning
- Lifts, Furniture & Equipment
- Grounds Maintenance
- Depreciation
- Usage Charge
- What should not be included in service charges?
- Designing out service charges
- Fixed and Variable Service charges
- Service Charge accounts

A copy can be freely downloaded from: <http://www.awics.co.uk/calcsch.asp>

The book 'All You Want to Know about Service Charges in Social Housing' is designed to give an introduction and overview to service charges in social housing and is fully up to date with all developments. Service charges are an integral part of landlords' work in financing value for money services and sustaining customer satisfaction. They have always been relatively complex but with landlords, leaseholders and tenants facing increased financial challenges and with increased legal complexity there is an increased need to understand how service charging works.

This book is presented mainly from a financial point of view and is designed for people who are not experts in service charges, but who need to understand the basics and achieve an overview of what is going on. It is suitable for councillors, board members, housing managers, finance staff, tenant representatives, members of the service charges team who have limited experience and others who realise that an understanding of service charges can place them at an advantage!

Further information about the book can be found at: <http://www.awics.co.uk/bookschs.asp>

## ADVERTISEMENT

### NATIONAL HOUSING FEDERATION

#### Housing Finance Conference and Exhibition

19 - 20 March 2014, University of Warwick, Coventry

Attend the housing finance event of the year to get to grips with the latest opportunities and risks that are facing the sector – and how you should be preparing for them.

Key speakers include:

- Magnus Lindkvist, Trendspotter and Founder, Pattern Recognition
- Douglas McWilliams, Executive Chairman, Centre for Economics and Business Research (CEBR)
- Jonathan Walters, Deputy Director of Strategy and Performance, Homes and Communities Agency
- Clive Barnett, Managing Director, Head of Housing Finance, The Royal Bank of Scotland
- Fenella Edge, Treasurer, The Housing Finance Corporation
- Steve Punt, Writer and Comedian, BBC Radio 4's The Now Show and Mock the Week

Why attend?

- Visit the largest **housing finance exhibition** in the UK with the latest innovations and products
- Attend the new **conference networking dinner** for good food, good company and a bit of comedic entertainment \*
- Attend a **wide range of sessions under one roof** covering the topics that affect you, your association and your tenants
- Gain insight from **key policymakers** and have your say in **topical debates** to share **best practice** and new ideas
- Network and make new contacts at the **drinks reception** and **after party**

Who should attend?

- Finance directors, managers and staff
- Chief executives
- Board members interested in the financial workings of their association
- Chairs of housing association boards
- Lenders, commercial organisations and public service providers
- Anyone with an interest in the financial running of their organisation

Fees: Federation member £735, Associate member £845, Non-member £915, Day delegate price from £520

For more information visit: [www.housing.org.uk/finance](http://www.housing.org.uk/finance)

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PLEASE CONTACT [Adrian.waite@awics.co.uk](mailto:Adrian.waite@awics.co.uk)**

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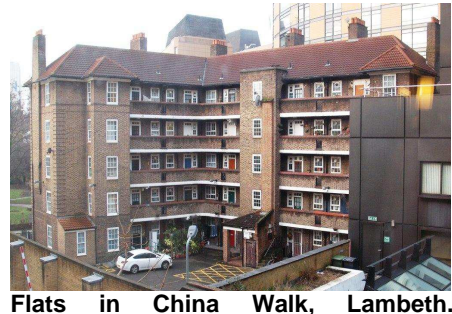


## All You Want To Know About Service Charges

**April 2014**

We are holding our seminar and workshop 'All You Want to Know about Service Charges' in April. This seminar and workshop is designed to give an introduction and overview to this important subject and is fully up to date with all developments.

Service charges are an integral part of landlords' work in financing value for money services and sustaining customer satisfaction. They have always been relatively complex but with landlords, leaseholders and tenants facing increased financial challenges and with increased legal complexity there is an increased need to understand how service charging works.



This seminar and workshop is presented mainly from a financial point of view and is designed for people who are not experts in service charges, but who need to understand the basics and achieve an overview of what is going on. It is suitable for councillors, board members, housing managers, finance staff, tenant representatives, members of the service charges team who have limited experience and others who realise that an understanding of service charges can place them at an advantage!

We believe in quality rather than quantity and so numbers at each session are limited to twenty people to permit the maximum possible interaction and participation.

### What the Session Covers:

The session will answer the following questions:

- How do Service Charges work:
  - In Housing Associations and Local Authorities?
  - For Leaseholders and Tenants?
- How are service charges calculated?
- How to de-pool service charges?
- When are service charges eligible for housing benefit?
- How to ensure excellent customer service?

The session includes a participatory case study and is 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”**

### Venue and Date:

**London:** Novotel Hotel, Waterloo – 29<sup>th</sup> April 2014.

For more information or to book a place, please visit: <http://www.awics.co.uk/schs.asp>

This seminar and workshop is also available in-house. For further information about in-house sessions, please contact Adrian Waite on 017683-52165 or [adrian.waite@awics.co.uk](mailto:adrian.waite@awics.co.uk)

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## **All You Want to Know about Local Authority Housing Finance Book**

The 2014 version of our book 'All You Want to Know about Local Authority Housing Finance' has been fully updated this year and is the latest version of our useful introduction and companion to the complex and important subject of Local Authority Housing Finance. It is published in February 2014 and has 104 pages.

The book answers the following questions:

- How does the Housing Revenue Account work?
- How does the Housing General Fund work?
- What are the implications of Self-Financing?
- What are the financial opportunities for local authority housing?

It contains sections on:

- Housing Revenue Account
- Self-Financing Settlement
- Self Financing, Treasury Management and Depreciation
- The Voluntary Code for the Self-Financed Housing Revenue Account
- Rents and Service Charges
- Capital Programmes
- Borrowing in the Housing Revenue Account
- Right to Buy Initiative
- Strategic Housing responsibilities and the Housing General Fund
- Welfare Reform and Housing Benefit
- Arm's Length Management Organisations and the Private Finance Initiative
- Stock Transfer

It is designed for people who are not experts in housing finance, but who need to understand the basics and achieve an overview of what is going on. It is suitable for housing managers, tenant representatives, councillors and finance staff who have no experience of the housing revenue account and others who realise that an understanding of housing finance can place them at an advantage!

It is not a technical guide and neither does it provide step by step instructions for people who need to prepare local authority housing accounts, subsidy claims or other returns.

The guide is excellent value at £30.00 plus £3.25 postage and packing.

For further information or to order a copy please see:  
[http://www.awics.co.uk/local\\_authority\\_housing\\_finance.asp](http://www.awics.co.uk/local_authority_housing_finance.asp)

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## About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly.

Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about us and our services please visit our website at [www.awics.co.uk](http://www.awics.co.uk) or contact Adrian Waite at [Adrian.waite@awics.co.uk](mailto:Adrian.waite@awics.co.uk)

Services that we offer include:

- Management Consultancy – <http://www.awics.co.uk/ManagementConsultancy.asp>
- Interim Management – <http://www.awics.co.uk/interimmanagement.asp>
- Regional Seminars - <http://www.awics.co.uk/seminars2014.asp>
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