

Briefing Paper

Service Charges Update

January 2016



Flats at Cressingham Gardens, Lambeth.
Service Charges are usually higher and more complex to administer in flats.

Introduction

The purpose of this briefing paper is to provide an update on selected matters relating to service charges in social housing that have occurred during the last two years.

More general information about service charges in social housing is available on our website at <http://www.awics.co.uk/ServiceCharges.asp>

Service Charges and the Welfare Reform and Work Bill

The Welfare Reform & Work Bill as originally drafted would have applied the 1% annual rent reduction for the next four years to service charges as well as to net rent. However, the Bill was amended by the government in committee stage in October 2015 to remove all service charges from the requirement for a 1% rent reduction. The relevant clause now reads:

“In the social housing rents provisions, a reference to an amount of rent payable to a registered provider for social housing:

- (a) In the case of social housing that is affordable rent housing and is let at an affordable rent, includes a reference to an amount payable by way of service charge, and*
- (b) In the case of other social housing, does not include a reference to an amount payable by way of service charge.”*

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Recent Court Cases

In November 2014 the Court of Appeal overturned a previous ruling on leaseholder service charges in the case of Phillips v Francis that means that landlords will not need to consult leaseholders if separately accumulated service charges exceed £250 during the year. The Court of Appeal judgement makes clear that landlords will not have to consult leaseholders for a set of works that cumulatively cost over £250, but only for individual projects that exceed the threshold.

The previous decision in the High Court had required landlords to conduct formal consultations if the cost of works exceeded £250 during the year – a ruling that experts called ‘almost unworkable’ as landlords could not be expected to predict service charges in advance.

Landlords had been faced with a situation where, if unexpected repairs had been required, they would either be in breach of repairing covenants if they did not carry out repairs, or liable for the costs themselves as they had not consulted before making the repairs.

Responding to the ruling, Lauren Fraser, a solicitor at ‘Speechly Bircham’, told ‘Inside Housing’ that:

“Today’s Court of Appeal judgment means that landlords and residential management companies can finally breathe a sigh of relief regarding their duties to consult leaseholders before undertaking building and maintenance works.”

Douglas Rhodes, a property litigation solicitor at Trowers & Hamlins, told ‘Inside Housing’ that:

“The High Court ruling (if not overruled) would have been administratively unworkable and could have forced delays to necessary but routine maintenance work, which would have caused issues for both landlords and tenants...Ultimately, today’s judgment restores common sense to the approach as to what constitutes ‘qualifying works’ to which the £250 consultation limit applies.”

There was uncertainty among landlords over the outcome of the case, which had been ongoing for around eighteen months. In Phillips v Francis the landlords, Mr. and Mrs. Francis, purchased a 25-acre holiday site in Cornwall with 150 chalets and conducted site improvement works that caused the service charge cost to increase from £1,478 to £3,117 from 2008 to 2009.

In June 2015 the Upper Tribunal considered a case involving the ability of local authorities to charge leaseholders for improvement works that had been funded by the Community Energy Savings Programme (CESP).

Sheffield City Council was told that it could not charge a leaseholder for a proportion of works that had been paid for by Community Energy Savings Programme, a £350million energy company-funded programme that ended in 2012.

The tribunal ruled that Hazel Oliver, one of eighty leaseholders on the 1,000-household Lansdowne and Hanover estates in Sheffield, does not have to pay nearly £2,000 of a £9,300 bill that the council had charged her.

An £11.5million council programme to overhaul the estates, including new cladding, structural strengthening and block improvements, began in 2011. An £2.9million agreement with NPower was struck under the Community Energy Savings Programme scheme to fund some of the works. However, the Council decided that Community Energy Savings Programme funding would not be passed to leaseholders as a set off against their service charge contributions.

However, Martin Rodger QC said in his ruling that the Council's attempt to retain the Community Energy Savings Programme funding as well as charging leaseholders amounted to 'double recovery' and told 'Inside Housing' that:

"We consider Miss Oliver is entitled to be credited with the appropriate share of the Community Energy Savings Programme funding received by the Council in respect of the work to her building which is sought to be recovered through the service charge."

Alex Wyatt, a solicitor at Devonshires, told 'Inside Housing' that:

"This is certainly a warning for local authorities or housing associations who like Sheffield have been not applying the funding to leaseholders... There's already legislation in place that prevents service charge recovery where a specified type of grant has paid for the works, but this falls outside of that because it was funding provided by gas and electricity companies."

Jan Luba QC, a barrister with Garden Court Chambers, told 'Inside Housing' that:

"In principle if they could find out that Community Energy Savings Programme money had been paid but not credited then theoretically they could claim the difference back."

It is not clear how many councils had charged leaseholders for Community Energy Savings Programme funded work.

National Housing Federation Conference on Service Charges

In September 2015 I attended the National Housing Federation's conference on service charges in London to Chair two of the sessions. What follows are my notes on some of the other sessions that I attended.

Service Charges and Benefits by Sue Ramsden of the National Housing Federation

The Welfare Reform & Work Bill as currently drafted applies the 1% rent reduction to fixed service charges but not to variable service charges. The Department for Communities & Local Government have said that this is not the government's intention and they are likely to amend this to exempt all service charges. (Note: the government has now made this amendment – see above).

Recent government measures include:

- The 'Benefit cap' has been reduced
- There will be no automatic Universal Credit housing element entitlement for 18-21 year olds
- There will be a 'Benefit freeze'

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- Employment Support Allowance has been changed as have child tax credits. Universal Credit payments are to be limited to two children

Consequently, the amount of income left for rent with benefit cap reduces with the number of children. With five children there is nothing left.

Funding for Discretionary Housing Payments will be: £180million in 2014/15, £125million in 2015/16, £150million in 2016/17, £185million in 2017/18, £170million in 2018/19, £155million in 2019/20 and £140million in 2020/21. The government view is that this should enable local authorities to meet all cases of hardship.

From April 2016 the Support for Mortgage Interest (SMI) waiting period will return to 39 weeks. From Apr 2018 SMI payments will be paid as a loan. Existing claims will be transferred.

'Pay to stay' will result in:

- Market or near market rents including service charges
- No details of the scheme have been made available yet (although it was later announced that the scheme would be voluntary for housing associations)
- It is expected that the scheme will start in April 2017

Universal Credit highlights include:

- There are now 89,357 live claims. Most of these don't have housing costs.
- 67% claims are in Northwest England
- There are a number of Alternative Payment Arrangements
- There is an increased level of arrears
- There is a seven-day waiting period. This is a new provision that started in August 2015. For Job Seekers' Allowance claimants' new claims there is now a seven-day waiting period that then extends the period to six weeks between the initial claim and people receiving cash. This makes it difficult to budget and maintain rent payments.

There is a difference between Housing Benefit and Universal Credit on service charges. There is a need to read the 2013 guidance. This hasn't changed but there are more cases. There is a list of eligible service charges that broadly replicates the situation with Housing Benefit. The largest differences are in supported & sheltered housing where people are continuing to be in Housing Benefit rather than Universal Credit.

The question of how to treat depreciation remains. The National Housing Federation think that the treatment should be up to landlords. They think it is reasonable to spread the costs of capital investment over the life of an asset. The Department for Work & Pensions agree but refuse to take depreciation off the list of charges that are ineligible for housing benefit. However, landlords can make a usage charge.

The question of 'excessive' service charges also remains. The Department for Work & Pensions will not pay for 'luxuries', things that are 'excessive' or things that should be paid for by another income stream. For example, there is a scheme in London where there is a garden for private tenants but social tenants are not allowed to use it as it would generate a service charge that the Department for Work & Pensions would not pay.

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Digital claims for Universal Credit are being piloted in Sutton. This includes a statement of how much rent and service charges are paid. Tenants need to get this information from their landlord.

Sarah Seeger of Curo – Universal Credit: the story so far, risks & mitigations

Curo is a not-for-profit housing and support organisation based in Bath, providing affordable homes and high quality care and support services across the West of England. They manage 12,000 homes and are building around 300 new homes every year.

Curo is a thriving ethical business, with a mission to make a positive and profound contribution to the neighbourhoods they work in – inspiring and empowering people to succeed in life. They own a range of property, from rural starter homes to Grade I Listed Buildings in the centre of Bath, and have an extensive development and land acquisition programme. They plan to double their market rent properties by 2017 and have a growing portfolio of holiday lets in a world heritage city.

They provide award-winning support services to a wide range of people, including young people and teenage parents, older and disabled people, people at risk of homelessness and people affected by memory loss. In 2014 their Independent Living Service won three National Housing Federation Community Impact Awards, including the accolade of overall national winner. Their property developments have achieved recognition through awards in the 2013 Constructing Excellence South West Awards, 2013 LABC Awards and 2013 What House Awards. They have also reached the finals of the 2013 and 2014 United Kingdom Housing Awards, the 2013 AllPay and 24-Housing Welfare Aware Awards, the 2013 and 2014 Bath Business Awards and the 2013 Bristol Business Awards.

Universal Credit is being rolled out in Bath as follows:

- It has been live since February 2014 for single out of work claimants with no illness & no children
- Couples were introduced later

Numbers are hard to take but are improving regarding rent collection. Now rent collection levels are near the median / 2nd quartile. But it is a slow burn. Now there are about 120 claimants. About forty are on a managed payment (direct) basis as they have eight weeks or more of rent arrears. Arrears average 2.2%.

Management of accounts is intensive and customers find transition difficult.

Universal Credit arrears are 13%. They were at 18%. Discretionary Housing Payments help. 85% of Universal Credit customers are in arrears. The same cohort had 7% arrears before Universal Credit. These tenants tend to be in and out of work and in part-time and zero hours' jobs so they are in and out of benefit and partial benefit and have problems budgeting. There are many single people. Bath has a Tourist economy.

The collection rate for March 2014 to September 2015 is 95%. In September it was 93%, in August 2015 it was 102%. A six-week wait is miserable for tenants. The National Housing Federation collates information and an average of 85% is reported. It is different in the northwest where there are more long-term unemployed and less seasonal work.

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Arrears recovery is at 23% before a Notice of Seeking Possession (NOSP), 57% between a Notice of Seeking Possession and court. 21% of cases have been to court but there has been a mixed response from judges. There is a need to ensure that judges understand what is going on.

The Curo experience is that:

- Access to a service centre can be difficult and expensive for customers. Some housing association staff work from the job centre. Customers miss the direct relationship with the housing benefit team. There is a need to work to bridge this gap.
- Alternative payment arrangements & third party deductions are inconsistent but improving
- There has been minimal take up of budget support offer. This now lies with the work coach so it may improve. Curo is now setting up a local welfare reform and financial inclusion partnership.
- It is simplistic. That's why it works so well. There is no online access other than the claim form. The system is all telephone based.
- Service centres provide no local access – there is a loss of relationship & vulnerable customers struggle

76% of people on Universal Credit have borrowed from family or friends. 14% have overdrafts or credit cards. 5% have doorstep loans. 5% have payday loans. People with financial problems avoid talking to housing officers.

People waiting for Universal Credit report depression, using soup kitchens and not spending on food or heating. There are health implications. People live with friends. There are increased debt and arrears.

Some quotes from Curo tenants follow:

“No heating, electric or food any my debts mounted up causing stress.”

“I was freezing and had a chest infection, as starving and lost weight. I had to go to court for various bills and got threatening letters.”

“I have a history of depression and all of the above impacted on my mental well-being.”

Limits on what Local Authorities can charge Leaseholders

Following controversy about the level of service charges made to leaseholders in Newham Council homes in Brentwood, the government decided to cap leaseholder repair bills at £10,000 over a five-year period (£15,000 in London).

The regulations were proposed by Eric Pickles, then the Secretary of State for Communities & Local Government after he was made aware of the case of an elderly constituent who received a £50,000 roof repair bill from the Council for her leasehold home. It was later found that the council's fee was not based on a proper survey and the roof would have lasted another forty years.

Under the regulations, that took effect in August 2014, councils and housing associations are limited – but only when repairs, maintenance or improvement works are wholly or partly funded by the government. Any shortfall will need to be met by the authorities themselves (that in effect means that tenants will have to pay for repairs to the property of leaseholders).

Eric Pickles said:

“Charging excessive amounts for council house repairs not only targets some of the most vulnerable people in society, it can amount to a failure in a local authority’s duty of care.”

The cap will apply only to those who occupy their properties as their ‘only or principle’ home.

The Department for Communities & Local Government’s consultation exercise on the proposal showed that five councils and three other organisations were concerned that a cap would limit councils’ ability to carry out necessary works, and five local authorities and a representative group said that they had evidence showing the cap would impact on their work to achieve the decent homes standard. However, six councils said that they had no evidence that capping would not impact on their ability to meet the decent homes standard.

The policy is implemented through the ‘Social landlords’ reduction of service charges: mandatory and discretionary directions 2014’ that came into force on 12th August 2014. These provide that a social landlord that undertakes ‘repair, maintenance or improvement’ wholly or partly funded by:

- (a) the Decent Homes Backlog Funding provided through the 2013 Spending Round; and
- (b) any other assistance for the specific purpose of carrying out works of repair, maintenance or improvement provided by:
 - (i) any Secretary of State; or
 - (ii) the Homes and Communities Agency.

is limited in the amount of service charge or major works charge it can levy on its leaseholders for the work. The limit is that such service charges and any services charges which the social landlord proposes subsequently to make for costs incurred in respect of such works in any period of five years shall not exceed a total sum of:

- (i) £15 000 for a dwelling situated within a London authority; and
- (ii) £10 000 for a dwelling not situated within a London authority;

On some estate wide ‘decent homes’ major works programmes, that cap could amount to a very significant sum. Major works charges of £30,000 or £40,000 are not uncommon. If spread over 100 leaseholders, the difference could be up to £2million or more.

Social landlords therefore have to consider whether taking Decent Homes (or other government or homes & communities agency funding) is worth it in view of the cap on service charges that may follow. In effect social landlords have to consider whether the work will be subsidised by the government, the leaseholders or the tenants and that may be considered to be a political question as well as a financial one.

An exchange with a Greater London Authority Assistant Director of Housing on Twitter suggested that the Decent Homes Backlog funding in London – that is devolved to the Greater London Authority - will only be caught in 2015/16, as this is when the 2013 Spending Round Backlog funds are allocated. The position regarding Decent Homes funding being spent by the social landlord is from a tranche predating the 2013 spending round is less clear. Outside London, Decent Homes backlog funding provided through Homes & Communities Agency is considered to be covered by the regulations regardless of which Spending Round it originated from.

There are also Discretionary Reduction Directions. These give a social landlord a power to waive or reduce service charges, having regard to the following criteria:

- (a) any estimate of the costs of the works of repair, maintenance or improvement notified to the lessee or any predecessor in title before the purchase of the lease of the dwelling;
- (b) whether the purchase price paid by the lessee took account of the costs of the works of repair, maintenance or improvement;
- (c) any benefit which the social landlord considers the lessee has received or will receive as a result of the works of repair, maintenance or improvement, including an increase in the value of the lease (including the reduction of a negative value of the lease), an increase in the energy efficiency of the dwelling, an improvement in the security of the dwelling and an improvement in services or facilities;
- (d) whether, upon receipt of an application by a lessee, a social landlord, having regard to the criteria set out in paragraph 4, considers that the lessee would suffer exceptional hardship in paying the service charge; and
- (e) any other circumstance of the lessee which the social landlord considers relevant.

Additionally, in cases of exceptional hardship, where the leaseholder has made an application, the landlord should have regard to:

- (a) whether the dwelling is the lessee's only or principal home;
- (b) the total amount of the service charges paid or are payable by the lessee since the purchase of the lease of the dwelling;
- (c) the amount of the service charge payable in the year in which the lessee applies for the reduction because of exceptional hardship;
- (d) the financial resources available to the lessee;
- (e) the ability of the lessee to raise funds to pay the service charge;
- (f) the ability of the lessee to pay the service charge if the landlord extended the period for payment; and
- (g) any other relevant consideration.

These powers can be applied retrospectively to charges already made and/or paid. However, these are discretionary powers. The Landlord therefore has to consider exercising them, but does not have to grant a waiver or reduction.

In September 2014 it was revealed that the Department for Communities & Local Government's own figures showed that the caps on leaseholder service charges would result in a loss of £14.3million for just seven local authorities.

Local authorities' responses to the government's consultation also show that councils expected to increase rents and council tax to pay for the resulting deficit.

Southwark Borough Council, for example, found that, had the cap been applied over the last six years, the local authority would have had a £6million funding gap in its housing revenue account. Camden Borough Council said the total loss as a result of the cap would be £2.3million. A £900,000 shortfall would be caused by works on just one estate. The shortfall in Tower Hamlets Borough Council was estimated as £4.2million and the shortfall in Barking & Dagenham Borough Council was estimated as £1.6million. The losses were calculated to be highest in London. However, Salford City Council said works in 2015/16 would have resulted in a shortfall of £115,813.

Service Charges in Wales

In some, though not all, local authority areas in Wales there is pooling of service charges. This means that some tenants are paying for services they do not receive because the costs are spread between all of the landlord's tenants. The Housing (Wales) Act will end this practice with service charges in future being disaggregated and clearly identified. The changes may result in increased service charges for tenants who do receive eligible services.

The new policy, including the requirement to fully de-pool service charges is a good opportunity to ensure that costs are fully and correctly identified and take into account any changes that may be needed in view of welfare reform so that the Council can be certain of securing the maximum revenue possible. This is very important given the current financial climate and also a good opportunity to engage with residents as this is an important part of implementing the new rent policy.

The Welsh Government is introducing a new policy for social housing rents. The new rent policy applies to stock holding local authorities from April 2015, subject to exit from the Housing Revenue Account Subsidy system. The policy requires local authorities that currently pool rent and service charges to disaggregate service charges from rent; and to consider the impact on their Business Plan, the achievement of the Welsh Housing Quality standard and other government priorities. It requires that the de-pooling exercise be undertaken in full, to ensure only tenants that receive, or are entitled to receive, services pay the service charges. The Welsh Government regards de-pooling service charges as best practice.

The de-pooling of service charges is also required in the light of the introduction of Universal Credit. Under the Universal Credit, tenants will be required to provide information on the breakdown of their rents and service charges as part of their on-line Universal Credit applications. In addition, Under Housing Benefit rules the vast majority of services are eligible for Housing Benefit. Universal Credit regulations set out which services charges will be deemed eligible for benefit and those which are not. These regulations are summarised in Appendix C.

Local authorities have traditionally included the cost of providing additional service to shared or communal areas in the rent that all tenants pay, regardless of whether all tenants benefit from the services being provided. While a pooled approach to service charges is administratively simpler for the landlord, it also has a number of disadvantages:

- Tenants may be paying for services they don't receive.
- Tenants are unaware that they are, in fact, paying for services.
- Services provided, and quality of service, do not reflect the needs and aspirations of tenants.
- Financial arrangements can mean that the housing revenue account contribution to some services is not related to the cost of providing that service.
- The cost to the landlord of service provision can be unclear.
- It is difficult to demonstrate value for money.

Even before the introduction of the new policy for social housing rents in Wales and Universal Credit, there were reasons for de-pooling service charges:

- Introducing service charges can generate additional income from properties that receive the service.

- It is often considered to be unfair to ask tenants who are not receiving services to pay for them, whereas service charging those who receive the service is often considered to be fair and equitable.
- Charging tenants for services can improve the quality of the services being provided, as tenants are more likely to complain about poor service when they know they are paying for it.
- De-pooling service charges provides an opportunity to localise services to reflect tenants' needs and aspirations.

The new rent policy contains a set of key principles for landlords to follow:

- Social landlords should ensure that appropriate policies and procedures are put in place to ensure that service charges are based on full cost recovery, non-profit making and an open and transparent basis.
- Social landlords will need to consult with the affected tenants on, for example, the range, quality, frequency and cost of services provided and how costs will be apportioned between tenants.
- The rent increase notices provided to tenants each year must show separate charges for rents and service charges. Tenants should be provided with information in a clear and consistent format that sets out which service charges are deemed eligible for claiming Housing Benefit or Universal Credit.
- Social landlords to provide advice, as appropriate, to those tenants that would have to fund part, or all, of their service charges from their own resources.
- Service charges will be based on the estimated cost of the services to be provided in the forthcoming year.
- At the end of each year, service charges must be reconciled prior to, and as part of, the setting of estimated service charge costs for the following year.
- Each year, service charges will take into account any underpayment, or overpayment, for the previous year.
- Tenants should be provided with an annual statement and breakdown which ensures that they fully understand how the service charge is calculated.
- Tenants should also be provided with information on how they are able to challenge or raise concerns about the reasonableness of service charges.
- Where rent pooling currently applies and tenants do not receive, or are not eligible to receive, services, it will be for each social landlord to determine whether the weekly rent for those tenants should be reduced or held on a marked time basis.
- The de-pooling exercise may impact on tenants receiving support from a warden or support worker who is part funded through the Supporting People Programme Grant. In such cases social landlords are required to discuss the implications of this exercise with their Supporting People Regional Collaborative Committee and local authority Supporting People Team.

The Welsh Government has not yet set a date when de-pooling has to be completed, but the expectation is that the process should be well underway in April 2015 with completion over the following eighteen months to two years. The Welsh Government's approach is characterised by:

- Not providing detailed guidance on de-pooling
- Guidance will be high-level setting out the principles that need to be followed with fixed or variable service charges

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- Landlords are asked to liaise with other landlords who have completed the exercise or made significant progress

Denbighshire County Council has decided to introduce a variable charge policy for apportionment and recovery to all tenants who receive services. In year one individual rents will be reduced by the amount of chargeable services that tenants receive. £420,000 of service charges have been identified including £206,000 for grounds maintenance. Services that are considered suitable for service charges are:

- Grounds maintenance (Environmental and Play Areas)
- Cleaning (Buildings and Public Realm)
- Electricity and Gas (communal areas)
- Other: Repairs & Maintenance, Television aerials, Waste Disposal.
- Administration

Flintshire County Council has decided that:

- Service Charges will be phased in for existing tenants over three years from 2016 as follows:
 - 2016/17 – TV aerials, digital services & cleaning
 - 2017/18 – Laundry & janitor services
 - 2018/19 – Grounds maintenance & caretaking
 - Rents are not to be reduced
- Service Charges will be introduced for new tenants from 2015
- The total cost of each chargeable service will be shared equally between those who receive the service

Value for Money Good Practice

The regulatory framework provides that social landlords should take steps to ensure that their service charges represent value for money. In particular, they provide that:

- There should be arrangements for tenants to influence the services delivered, the local standards and the cost of those services that result in service charges.
- Resources must be managed effectively to ensure that viability is maintained.

This implies that service charges should be set at a level where costs are recovered but are also affordable for the tenants and leaseholders.

In 2007 the Housing Corporation published 'Service Charges: Value for Money?' that included ten 'tips' for securing value for money in service charges. The advice is now nine years old, but the National Housing Federation has stated in 2016 that it considers that the guidance is still relevant today. The ten 'tips' are:

- Provide user-friendly information about service charges that explains how they are set, what services they are for, and how service delivery is monitored.
- Involve tenants and leaseholders at an early stage in setting the service charges and agreeing appropriate arrangements for monitoring estate service delivery.
- Ensure you comply with legislative requirements for consultation with residents paying a variable service charge.
- On multi-landlord / multi-tenure estates it is good practice (and helpful for community cohesion) to consult tenants and leaseholders in a similar way, especially where everyone is receiving the same services.

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- Create sub-accounts for service charges in order to separate service charge elements from the rent.
- On multi-landlord and multi-tenure estates, liaise with other landlords and their tenants to consider whether an estate-wide service contract for some communal work is feasible and whether it will achieve a better value for money service.
- Explore with residents the options to include or exclude services for which service charges are made.
- Ensure that any information about tenders and contracts for the work is in plain language so that all residents can understand what this will mean for them: this will help the consultation process to be effective.
- Consider people who will need information in other languages or formats.
- Consult individual residents as well as any recognised residents' association.

The National Housing Federation has said that:

“Service Charge reviews usually address Value for Money because residents can relate to the service delivery and its value. Splitting out and de-pooling service charges from rents, often as a result of previous rent restructuring or stock transfers, has made an impact on services, with more in-depth reviews of standards and a greater customer engagement and consultation. It is expected that the full roll-out of Universal Credit and the requirement to disclose the eligible and non-eligible elements of the service charges may give rise to some service charge reviews, or at least a better understanding of such costs. To reduce eligible costs and charges whilst delivering good value to residents has broader benefits than just reducing the social bill.

“To demonstrate Value for Money some housing associations are using measures of social return on investment, with practical implementation to include creating jobs, local procurement, supporting social enterprises and involvement in local partnerships.

“Once the need for a basic shelter has been met by a landlord providing a resident with a property, together with maintenance and housing management, it is worth ascertaining what elements make that property into a home and reviewing the value of each service delivered on a zero based approach. This would mean measuring what difference a given service would make to the residents, to gain assurance and get evidence of the outcome delivered by a service.

“To get the service right first time implies smart working – planning for services would mean to start before the development and design stages, not delivering more of the same services, but working in new ways to meet desired outcomes.”

Clearly, service charges are not just about collecting revenue to help to meet costs. They are at the heart of the offer that social landlords make to their residents.

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January 2016

Further information about service charges is available on our website at:
<http://www.awics.co.uk/ServiceCharges.asp>

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All You Want to Know About Service Charges in Social Housing 2016

February 2016

We are holding our seminars on 'All You Want to Know about Service Charges in Social Housing' in February. These seminars are designed to give an introduction and overview to this important subject and are 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 increased financial challenges and legal and financial complexity there is an increased need to understand how service charging works.

Housing Associations have traditionally levied service charges with most local authorities in England introducing them in the 'noughties'. In Wales, local authorities have introduced service charges as part of the Welsh government's new rent policy. The rolling out of Universal Credit is having an impact on benefit entitlement for service charges.

These seminars are suitable 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, legal staff, finance staff, tenant representatives, members of the service charges team with limited experience and others who realise that an understanding of service charges can place them at an advantage!

What the Sessions Cover:

- 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 2016"**

Venues and Dates: **London:** Novotel Hotel, Waterloo – 16th February 2016.
 North: Novotel Hotel, Leeds – 24th February 2016.

For more information or to make a booking please visit:

<http://www.awics.co.uk/schs2016.asp>

This seminar 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

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**Flats at Wornington Green,
Kensington, London.**

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 or contact Adrian Waite at 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/Seminars2015.asp>
- Webinars – <http://www.awics.co.uk/webinars.asp>
- In-House Training — <http://www.awics.co.uk/inHouseCourses.asp>
- Independent Residents' Advice — <http://www.awics.co.uk/IndependentTenantAdvice.asp>
- Technical Books — <http://www.awics.co.uk/publications.asp>
- Information Service — <http://www.awics.co.uk/information-service.asp>

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