



Service Charge Policy

2017-2020

Housing Services

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Introduction

Our *Service Charge Policy 2017-2020* ('the Policy') is intended to underpin the *Service Charge Strategy 2017-2020* ('the Strategy') which was adopted in June 2017 following Committee approval.

The Strategy outlined how Brentwood Borough Council is committed to ensuring both the quality of service provision to tenants and leaseholders and to providing a financially sustainable model for this. This 'twin approach' has been adhered to during the development of the Policy and will continue to shape its implementation.

The Policy seeks to set out the relevant legal position and to provide guidance for both the Council and our customers. The Policy creates the procedural framework for service charging and will allow for the production of detailed financial schedules prior to implementation.

Following Committee approval the process will allow for the introduction of more transparent, equitable and sustainable service charges for the 2017/18 financial period onwards.

Mrs Angela Abbott
Interim Head of Housing

Scope and Purpose

Why have a Service Charge Policy?



This policy creates the framework for annual recurring service charges.

All residents should have information about their service charges including costs that their charges cover, how charges are budgeted and increases/decreases calculated. Detailed financial Schedules of Service will be calculated subsequent to the adoption of this policy for further consultation and member approval.

Service charges apply only to leaseholders and tenants who live in blocks (whether general needs or sheltered housing). Currently the service charge for tenants is included in a single global figure and is not clearly separated out from the rental sum.



All Councils must operate viable businesses with adequate recourse to financial resources to meet current and future business and financial commitments.



The Council seeks to continue to provide good-quality housing services for residents and prospective residents. We must aim to deliver continuous improvements and value for money in our services. Service provision is subject to challenge and change. The wishes of residents and others must be balanced against available resources within a clear framework.

Service Charging: Explained

What does the term ‘Service Charge’ mean?

- **Service charges** are financial charges made to residents to recover the costs of services provided to a property, block or estate.

Service charges are set based on the Council’s estimate of the costs of providing the services, and will be detailed in the relevant tenancy agreement or lease, for the relevant period (usually a year).

Leaseholders will have a variable service charge (based on the existing process of ‘Estimates’ and ‘Actuals’). The legal definition is contained in section 18 of the Landlord and Tenant Act 1985 (‘the Act’) in relation to costs. Section 19 of the Act states that they can only be levied so long as they are *reasonable* and that works are carried out to a *reasonable standard*.

Tenants of blocks (and any further identified accommodations) will have a fixed service charge, which is payable alongside the basic rent charge. (Previously the fixed service charges were contained within a global rent figure).

Service Charging: Variable Charges

- **Variable service charges:** Residents are sent a further bill or credit, depending on whether the actual costs of services was more or less than originally estimated.

The Council will make all demands for payment in writing, setting out how the costs being claimed for, whether estimated or actual, have been arrived at. In line with the law, the calculations for actual service charge costs will be signed off by independent examiners where required and are subject to Committee approval.

- **Variable Service Charges Processes:**

Leaseholders paying a variable service charges are entitled to request and receive a written summary of the service charge account, there is a requirement for the accounts to be certified. The written summary will relate to all “relevant costs in relating to the service charges payable” for the last accounting period, or if there is none, the 12 months preceding the request.

The summary must be supplied within one month of the request or within six months of the end of the accounting period. This is known as “the 18-month rule”.

The summary must show:

- ✓ How the costs relate to the service charge demand (or if they will be included in a later demand).
- ✓ Any items for which the landlord did not receive a demand for payment during the accounting period.
- ✓ Any items for which a demand was received and for which no payment was made during the accounting period.
- ✓ Any items for which a demand was received and for which payment was made during the accounting period.
- ✓ Whether any of the costs relate to works for which an improvement grant has been or is to be paid.

The lease will determine how actual costs will be recovered. Under section 20B of the Landlord and Tenant Act 1985 any relevant costs included in a service charge must have been incurred within the 18 months before the service charge is made. If more than 18 months have passed the tenant has no obligation to pay the costs involved.

A landlord can protect their right to recoup costs if there is a need to invoice outside this time period, but only if they serve a notice on the tenant within the 18 months which formally advises the tenant that the costs have been incurred and that the tenant will be required to contribute to them at a future date.

▪ Variable service charges: Consultation for major repairs, improvements and contracts:

Where the Council proposes to carry out repair or improvement works that would cost each payer or variable service charge more than £250.00 we will either:

- ✓ Consult with all leaseholders liable to be charged, or
- ✓ In the event of urgent works, carry out the repairs and then seek permission from the First-tier Tribunal (Property Chamber) to charge for the works retrospectively.

Where the Council proposes to enter into a contract for longer than twelve months that would cost any payer of service charge more than £100.00 a year the Council will consult with those liable to be charged. The above is in accordance with existing policy and relevant legislation, including section 19 of the Landlord and Tenant Act 1985.

Service Charging: Fixed Charges

- ❖ Certain items of expenditure are not classed as services because legislation defines that they should be included in the rent. In broad terms these include costs of core housing management activities, maintaining properties, building insurance and loan repayments (see Appendix 1 for further details).
- ❖ Service charges re-coop from individual tenants the costs incurred by the landlord in providing shared services, such as maintaining common areas, caretaking services, ground maintenance, communal lifts and door entry etc (see Appendix 2 for further details).
- ❖ All services that have been allocated as chargeable will be recharged to tenants although the Council may stagger any large increases over a number of years, but aims to reach full recovery within a period of four years.

Service Charging: Other Charges

Service charge payers may also be liable to pay the Council:

- ❖ Management fees;
- ❖ Administrative fees;
- ❖ Ground rent.

Management fees

- ❖ Are charged in line with the provisions made for such charges in the relevant tenancy agreement or lease.
- ❖ To cover the Council's cost associated with managing properties, administering service charge and rent accounts, income collection and providing customer services where these are not covered by rent.
- ❖ Variable service charge payers are charged an actual management fee.

Administrative fees

- ❖ Are charged in line with the provisions made for such charges in the relevant tenancy agreement or lease for costs arising in connection with an alleged breach of a lease by the resident.

Ground Rents

- ❖ Are charged where provided for in the lease.
- ❖ At a 'low rent' level.

What is Housing Benefit eligible?

Council tenants can claim Housing Benefit (HB) to cover “eligible rent”, which is rent *plus* any eligible services charges that they must pay as a condition of occupying their home. Personal services are not eligible and are excluded from “eligible rent”.

To be eligible, charges must be connected to the provision of adequate accommodation and the local authority must consider them to be reasonable to meet the cost of the service. The Housing Benefit Regulations 2006 provide further information. Most service charges are eligible for HB because tenants cannot opt out of receiving the service, whether or not they want it. (Further guidance is provided at Appendix 3).

Services that are personal to the tenant and provided inside the property or are determined by an individual tenant’s usage are not eligible for HB. Thus HB will not pay for meals, laundry, special equipment, nursing care or counselling for example.

When setting service charges it is important for staff to have regard to whether the service they intend to introduce will be HB eligible and that the level of charge is reasonable. The Regulations specifically mention fuel costs and HB will not cover the use of fuel by the tenant but it does cover the supply of fuel into a central heating system.

It is also important to have regard for the eligibility of service charges for HB when including elements that will generate maintenance costs in the common areas of a building and when procuring additional shared services. For HB claimants (which include an increasing number of working but low income tenants) the introduction of service charges will be at a reasonable rate.

The regulations for Universal Credit will reduce the number of charges which will be eligible for benefit to only three (further guidance is provided at Appendix 4). Essentially Universal Credit will cover payments for services to maintain the fabric of the accommodation, cleaning of communal areas and cleaning windows that the tenants cannot clean. The Council will use the most recent version of the Government’s “*Universal Credit Service Charges Guidance to Landlords*” when calculating relevant service charges for tenants subject to Universal Credit payments.

Implementation

Service Charges (Leaseholders)

In September each year, every Leaseholder will receive a statement of the actual cost of service charges for the previous year, and estimates for the forthcoming year are issued in March each following year. Invoices for service charges are issued annually.

Any Leaseholder who is experiencing difficulty paying service charges will be recommended to contact the Housing team to discuss payment arrangements.

If a Leaseholder is of a pensionable age they may contact the Pensions Service for advice. If they qualify for help the Pensions Service may be able to pay part or all of the service charge.

If a Leaseholder is under pensionable age and on income support they may contact the Department for Work and Pensions (DWP). If they qualify for help the DWP may be able to pay part or all of the service charge.

Service Charges (Tenants)

The introduction of stand-alone service charging for tenants is a new approach to rent setting for Brentwood Borough Council. Previously any 'service charge' has been included in the global rent amount. Moving forwards the two charges, rent and service, will be separated, with adjustments made where relevant to ensure affordability.

The Council will ensure that each tenant affected receives a 'Schedule of Services'. For new tenants this will be included as an annex to the Tenancy Agreement.

For existing tenants the 'Schedule of Services' will be issued using the procedure set out in sections 102 & 103 of the Housing Act 1985. Whilst there is no statutory requirement requiring the majority of secure tenants agree Brentwood Borough Council consulted tenants prior to the adoption of the *Service Charge Strategy 2017-2020*. Approval for the Strategy was obtained accordingly. Ongoing consultation and Committee approval will be required for any implementation and/or future alteration of service charges. It is the intention of Brentwood Borough Council to maintain a 3 year cycle of review for the Service Charge Policy, subject to any changes being required by law in the interim period.

Demands for service charges will be made in writing and will contain the landlord's name and address and a summary of rights and obligations as per Section 47 & 48 of the Landlord & Tenant Act 1987.

Tenancy Agreements

A ‘Schedule of Services’ will in effect be annexed to existing Tenancy Agreements from the commencement date of service charging. The commencement date will be set by Committee. Future Tenancy Agreements will be subject to review, and will then provide the following:

- ✓ A covenant by the landlord to provide the services and the agreement of the tenant to receive the services.
- ✓ A list of all the services provided.
- ✓ The identified cost of the services provided at the commencement of the tenancy.

If any variable charges are introduced the Agreement will also include:

- ✓ The frequency of the variation.
- ✓ The basis on which the service charge has been calculated.
- ✓ The method of apportioning any variation.
- ✓ How the tenant can appeal.
- ✓ The method of dealing with surpluses and deficits.

Broad Categories of Charge

This Policy envisages potential provision of 6 broad categories of charge subject to Committee approval:

- **Estate** – if the property forms part of an estate, then certain services that are provided across the estate will be captured under this heading.
- **Block** - if the property forms part of a block, then certain services that are provided across the block will be captured under this heading.
- **Unit** – if the property receives services that are unique to the property and not directly connected to any other properties the charges will be captured under this heading.
- **Insurance** – this heading covers charges for buildings insurance.
- **Management Fees** – this heading covers the overhead costs incurred in managing the specific services we provide. The law requires that this charge is reasonable and is typically set at 15% for tenants. For variable service charges a fixed management fee is added but the value of the fee varies depending on the level of service provided and is generally increased by inflation each year.
- **Sinking Funds & Usage** – (Dependent on any specifics in Lease or Tenancy Agreement, this would form charges for longer term replacement of major assets to the property, block or estate. The introduction of a sinking fund is not anticipated at this time, and would be subject to a stand-alone policy and consultation prior to introduction, as per section 20 of the Landlord and Tenant Act 1985).

Annual Variations

Service Charges will increase or decrease separately from rents each years. All services are excluding Value Added Tax (VAT). Service charges for both tenants and leaseholders will be based on the actual costs from the financial year two years previous, plus an inflationary increase and/or additional economic forecast to bring charges to present year costing, an administration fee % may also be applied.

For Leaseholders:

Costings and billing will continue as per existing practice. Service charge demands for leasehold properties will be accompanied by the Statutory Notice of Summary of Tenants Rights and Obligation and Ground Rent demands (where applicable) will be accompanied by a Notice of Ground Rent demand.

For Tenants:

Where new or extended services are introduced that will lead to additional charges the charges will be based on best estimated cost or known contract cost, plus an administration fee %. Once a full years' costs are available the service charge calculation as outlined above will apply.

Service charge expenditure will be closely monitored and charges reviewed at the same time as the rent is reviewed. Where possible charges will be set at a level that will cover the costs of services provided, as per the *Service Charge Strategy 2017*.

However, the Council recognises that implementing Service Charging (rather than previous practice of having a global rent figure) and in future moving from a capped service charge to one based on actual cost could cause financial hardship for some tenants.

Furthermore, in future years factors such as high inflation could result in cost-based service charge increases being unaffordable for some tenants. Through its annual budget and rent setting process, the Council may decide to place a maximum limit on the service charge increase in a particular year, based on an assessment of the affordability of the charge. An affordability assessment will be conducted when the 'Schedules of Service' are created by the Finance department in conjunction with Housing Services. It is anticipated that annual variation increases (if applied) will be capped at CPI + 2%, subject to approval and/or variation by Committee.

Appendix 1: Chargeable and Non-Chargeable Items

Items that are not services:

- **Maintenance and repair** costs for the structure and exterior of the building. (This will include the roof and foundations, gutters and downpipes, plumbing and drains and sewage systems, windows, walls and boundary walls and fences and access roads and paving. This will include the installation and subsequent maintenance of any features installed to meet the green agenda).
- **Cyclical redecoration** in common parts is also considered as a repair, but redecoration of specialist facilities (such as a sheltered scheme lounge) can be considered a service. (However, these items are service chargeable for leaseholders).
- **Building Insurance (Tenants)**
(NB. this **is** service chargeable for leaseholders).
- **Management costs (General)**
- **Office loan repayments**
- **‘Personal’ services/installations:** If a service is provided to a tenant in their own home (such as the servicing of a stair lift or hoist or other aids and adaptations) it does not qualify as a block or Estate service charge, as the costs of providing that service is a personal charge which is payable by the tenant receiving that service. The installations are often provided by grant but require ad hoc servicing. These are generally not eligible for housing benefit.

Appendix 2: Chargeable and Non-Chargeable Items

Items that are chargeable services:

The items below represent a non-exhaustive list of items which *may* be charged, either now or in the future. It does not represent a list of services available to all accommodations. A tenant should always check the individual 'Schedule of Services' applicable to a specific accommodation.

Cleaning and refuse disposal:

- Include inside common parts and outside common parts.
- Include common parts window cleaning.
- Include cost of clearing of large items.
- Include hire of equipment (such as paladin hire) and special items such as skips.
- Include pest and vermin control treatments in common areas.
- Include graffiti removal.

Gardens and grounds:

- Include communal gardens and landscaped areas and verge maintenance.
- Include litter collection if undertaken as a separate activity.
- Include Landscape Gardeners invoices.
- If a gardener is used who uses the landlords equipment the maintenance is service chargeable.
- Include costs of shrubs, tree surgery weedkiller etc.
- Include rotary driers purchase and maintenance.
- Include servicing of equipment on children's play area where this is available to all tenants.

Heating and hot water

- Include heating to the property if this is supplied through a common boiler. The cost of maintaining and expenditure on fuel this is allowable as a service charge cost for secure tenants.
- Include fuel expenditure for heating communal areas and supply of communal hot water (eligible for HB).
- Include consultants' costs of monitoring fuel efficiency.

Electricity:

- Includes all landlord meters, which may include meters for washing machines and warden's office or for specialist products such as power supply for mobility scooters.
- Include internal common parts lighting including block emergency lighting
- Include external lighting including bollards security lighting, car park and street lamps on private roads.
- Allocate costs according to ability to use the lighting where separate meters are provided to different parts of the building.
- Include light bulbs **but not repairs to the fixings for tenants.**

Staff costs:

- Includes the full cost of estate based staff (less a percentage attributable to their housing management function) including salary, Employer National Insurance and pension contributions and costs of relief warden for holiday cover. Other benefits such as life assurance and private health care should also be included.
- If a scheme telephone is included the rental of the line and equipment can be included provided the calls are only made on behalf of the tenants and any private calls logged separately.
- Include IT network costs and mobile phone costs so far as they relate to service charge items
- If staff operate across a number of schemes the proportion of time spent on each scheme and other costs (above) will need to be apportioned as will the staff travel costs between schemes. This can include the running costs of a vehicle (petrol, car tax, insurance and maintenance)- but excluding any personal use.
- If a central alarm control is provided to replace a scheme manager the phone rental and call charges and monitoring fees are service chargeable costs.

Carpets and furnishing:

- Notably relevant in supported and sheltered schemes. Include any costs of maintenance, cleaning, and renewing carpets in communal rooms, guest rooms and staff rooms.
- Include hire of a coin box telephone provided it is available to all tenants (Income from using the telephone should be credited to the cost to reduce the overall cost).

Laundry equipment white goods and specialist equipment:

- Include costs of maintaining communal washing machines and dryers If tenants have to pay to use the facilities the income should be deducted from the operating costs before recharging the tenants.
- Specialist equipment may be provided in certain tenants' homes. As these services are not provided to the entire service charge group, it may be necessary to amend the tenants agreement to provide it. It will then be a service charge item but will appear as a personal service charge. but will not be eligible for Housing Benefit.

Television systems:

- Include communal system upgrades or replacements (and eligible for housing benefit).
- Include the running costs of providing cable TV provided this service is available to all tenants (tenants will be able to contract to and pay for individual packages).
- Include costs of maintaining a communal amplifier.
- Include the cost of a television licence provided in a communal lounge for the benefit of all residents.
- Include maintenance of a central satellite dish.

Building plant equipment and installations:

- Do not include maintenance of a centrally provided heating plant (it is only allowable as a service charge item for secure tenants so for consistently treat all tenures the same and fund it from the net rent).
- Include lift maintenance and insurance as a service charge cost as the lift must be working to provide access to higher floors (however, landlord must decide how they will apportion the cost).
- Include Health and Safety requirements for regular electrical equipment inspections.
- Include inspections of fire detection and smoke dispersal equipment.
- Include servicing and periodic testing of fire- fighting equipment including replacement.
- Include maintenance of common parts ventilation systems. However fans within the units which are maintained and noted in the schedule are funded from the net rent.
- Include maintaining warden call system.
- Include the cost of maintaining a door entry system.
- Include the maintenance of any CCTV system. If the system is monitored by an site staff a proportion of their costs can be charge through the service charge.

Roads and car parking:

- On unadopted roads include the costs of sweeping, cleaning, snow clearance and gritting/salting. Other associated costs are service chargeable provided they are identified in the tenancy schedule.
- Include reasonable traffic calming measures are service charge items provided the costs are reasonable and included in the tenancy agreement.
- Road barrier maintenance is chargeable to those residents who benefit from the barrier.
- The cost of removal of abandoned vehicles is a service chargeable cost. If dumping is frequent, installing a barrier may be a more cost effective option.

Water supplies and sewerage charges:

- Include water charges if the tenancy agreement states these are payable by the Landlord. The water use within the property is ineligible for housing benefit but will be eligible so far as it relates to communal areas.
- Include periodic testing for Legionella, including a risk assessment and remedial works.
- Include sewage pump maintenance provided it is included in the schedule.

Management costs:

- For managing services not general housing management. Usually for tenants' service charges a charge in the region of 15% is applied. For leaseholders the management cost is usually initially derived from the costs of providing the service and thereafter uplifted annually.

Audit fees:

- Include audit costs in the schedule of services (eligible cost for Housing Benefit).

Depreciation of each piece of service equipment concerned. Landlords may include Furniture, Garden equipment, cleaning equipment, entry phones, fire equipment and carpets (Landlords can decide whether they will charge it at a later date).

Appendix 3: Tenant Service Charges & Eligibility for Housing Benefit

Category	Type of service	Chargeable To Tenants?		HB Eligible
Heating / hot water	Common boiler servicing	✗		✗
	Communal area heating (Fuel) and hot water	✓		✓
	Fuel from common boiler	✓		✗
	Consultants cost of monitoring fuel efficiency	✓		✓
Electricity	Offices and products for all to use	✓		✓
	Common parts lighting and emergency lighting	✓		✓
	Common parts lighting and emergency lighting	✓		✓
	External lighting	✓		✓
	Light bulbs	✓		✓
Estate / scheme based staff costs	Staff salaries	✓		✓
	Phone line rental	✓		✓
	IT network costs /mobile phone	✓		✓
	Staff travel providing services	✓		✓
	Costs associated to central alarm control	✓		✓

Category	Type of service	Chargeable To Tenants?		HB Eligible
Carpets and furnishing	Maintenance cleaning carpets in common areas, guest rooms and staff rooms	✓		✓
	Renewing carpets in common areas, guest rooms and staff rooms	✓		✓
	Phone box hire	✓		✓
Laundry equipment	Maintenance	✓		✓
	Specialist equipment to individual units	X Personal service charge		✘
Television systems	System upgrade/renewal	✓		✓
	Cable TV costs	✓		✓
	Communal amplifier costs	✓		✓
	TV licence	✓		✓
	Satellite dish maintenance	✓		✓
Building plant equipment / installation	Centrally provided heating plant maintenance and insurance	✓		✓
	Lift maintenance and Insurance	✓		✓
	Electrical testing	✓		✓
	Fire detection equipment	✓		✓

Category	Type of service	Chargeable To Tenants?		HB Eligible
	Maintenance of fire fighting equipment	✓		✓
	Communal ventilation system maintenance	✓		✓
	Warden call system maintenance	✓		✓
	Door entry phone maintenance	✓		✓
	CCTV maintenance	✓		✓
Roads / car parking	Sweeping and cleaning	✓		✓
	Traffic calming measures	✓		✓
	Road barrier maintenance	✓		✓
	Removal of abandoned cars	✓		✓
Water supplies / sewage charges	Water charges to unit (in tenancy agreement)	✓		✗
	Water charges in common parts	✓		✓
	Legionella testing	✓		✓
	Sewage pump maintenance	✓		✓
Repairs	Repairs to common parts	✗		✗

Category	Type of service	Chargeable To Tenants?		HB Eligible
Cyclical re-decoration	Common parts e.g. corridors	x		x
	Common areas e.g. lounges	✓		✓
General management		x		x
Management of services		✓		✓
Audit		✓		✓
Building insurance		x		x
	Traffic calming measures	✓		✓
	Road barrier maintenance	✓		✓
	Removal of abandoned cars	✓		✓
Water supplies / sewage charges	Water charges to unit (in tenancy agreement)	✓		x
	Water charges in common parts	✓		✓
	Legionella testing	✓		✓
	Sewage pump maintenance	✓		✓
Repairs	Repairs to common parts	x		x

Appendix 4: Universal Credit & Service Charges

Exhaustive List of Eligible Service Charges

(as per the *Universal Credit Service Charges Guidance to Landlords, Version 1.0 April 2013*)

Category A

- Charges for the external cleaning of the tenant's windows, **only** where the tenant does not live on the ground floor; and, in the case of shared ownership tenancies **only**:
- Internal or external maintenance or repair of the property, but only where those payments are separately identifiable as being for that purpose.

Category B

The ongoing maintenance (including repair), cleaning and utility (provision of heating, water, electricity etc.) costs of:

- Communal grounds maintenance (general basic gardening for communal gardens such as lawn mowing, tree management, hedge maintenance, litter removal etc., lighting and maintenance costs for areas of external access (where the tenant is liable to pay for these)).
- Tenant car or bike parking (this does not extend to the manning of car parks for security purposes). Such charges **must** relate to maintaining a parking service for tenants, and **must not** relate to the provision of security for the tenant's vehicle.
- Communal laundry facilities.
- Children's play areas (equipment maintenance, surface maintenance etc); and,
- Internal areas of common use outside of the home (hallways, corridors and rooms), including provision of lighting and emergency lighting.
- The external and internal cleaning of windows of communal areas.
- Health and safety charges for eligible communal areas or eligible communal service (such as legionnaires assessment, chlorination of water tanks, de-chlorination of water tanks, water softness, electrical equipment checks, pest control, fire prevention and detection etc.)

Category C

Charges relating to the provision, maintenance, cleaning or repair of:

- Communal lifts (including stair lifts in communal areas).
- A communal telephone (but excluding the costs of telephone calls).
- Adaptations in communal areas (where other public funding is not available to provide for this, such as the ongoing maintenance costs).
- Secure building access (key-cards, keypad door locking mechanism etc.).
- Provision of equipment (such as aerials) to access free-to-air television and radio. Where this equipment includes the ability to extend services to include satellite/cable television or internet connection, any extensions to the service will not be eligible for benefit payment.

Charges for the provision, maintenance and repair of:

- Refuse collection (e.g. refuse chutes, communal refuse collection and disposal etc.); and,
- Closed Circuit Television, where this is provided for the purpose of maintenance of areas of internal or external communal use (to help maintain the availability of an eligible communal service or facility).

Charges for the provision of services, **but only the proportion that directly relates to time spent on providing that eligible service:**

- If a person, such as a concierge, groundskeeper or caretaker, is employed to provide any eligible service charge, then the relevant proportion of staffing costs for this person will be eligible.
- The costs for management and administration of eligible services, whether incurred by the landlord or by third parties, that the tenant is liable as calculated and charged for in accordance with the terms of their tenancy agreement or other related agreement.

Category D

Charges relating to the rental of basic furniture or essential domestic appliances to tenants in the accommodation they occupy, **only** where the items being rented remain the property of the original owner and do not form part of a purchase or part-ownership agreement.

Equality, Diversity and Well-Being

❖ Brentwood Borough Council actively works to ensure that its tenants and leaseholders receive the services that are appropriate to them. The Council also strives to ensure that additional services can be provided to enable customers to access services which may be beneficial to their wellbeing and quality of life.

Publicising the Policy

❖ A leaflet explaining service charges and how they are calculated will be available for tenants and is sent out as part of the annual service charge review. Information will also be made available online at www.brentwood.gov.uk.

Address for Service

❖ As per sections 47 and 48 of the Landlord and Tenant Act 1985 a demand for rent or service charges must contain the name and address of the landlord. For the sake of certainty this is:

Brentwood Borough Council
Town Hall, Ingrave Road, Brentwood, Essex, CM15 8AY

Glossary

Flexible tenancies	A specific type of fixed term tenancy that is granted by the Council as the result of the Localism Act 2011.
General Fund	The Council’s primary account or fund which records all assets and liabilities that are not assigned to a special purpose fund, such as the Housing Revenue Account (HRA).
Housing Benefit	A government benefit, currently administered by Local Authorities, which pays all or part of the rent and service charge for a property.
Housing Revenue Account ('HRA')	The account which Council rents and service charges are paid into. It is kept separate from other Council accounts, such as the General Fund. There are rules and restrictions on how money in the account can be spent and on how much the Council can borrow against it.
Leaseholder	Named person(s) who hold a legal interest in land, mostly flats, for a set period of time. Ownership of the property returns to the freeholder (landlord) when the lease come to the end. The freeholder may be a private owner or the Council.
Local Authority	A county, county borough, district or London borough council <i>et al</i> established by Part IV of the Local Government Act 1985.
Major Repairs Works	Works, other than improvements or cyclical maintenance, to a dwelling owned by a provider in order to ensure the continued habitability of the dwelling. Part of the Miscellaneous Works category.

Glossary

Restructure Rents	From April 2002 rents are calculated according to a formula based on relative property values, local earnings and property size. Restructured rents are calculating using the formula and data set out in the DCLG’s <i>Guide to Social Rent Reforms</i> .
Schedule of Services	A financial statement outlining the services provided and relevant costs required from the tenant/leaseholder.
Service Charges	A financial charge to tenants and leaseholders for specific services to blocks/schemes. These might include cleaning of communal areas, or in the case of leaseholders, repairs to communal areas or equipment
Social Rent	Social housing available for rent at or close to target rents on the basis of the Rent Influencing Regime Guidance.
Tenant	Named person(s) who hold a legal tenancy with the Council, which includes requirements to occupy the dwelling and to pay rent and service charges. Tenants do not own the property in which they reside.
The Council	Brentwood Borough Council
Universal Credit	Is a social security benefit introduced in the United Kingdom in 2013 to replace six-means tested benefits and tax credits: Income-Based Jobseekers’ Allowance, Housing Benefit; Working Tax Credit, Child Tax Credit, Income-Based Employment and Support Allowance and Income Support.

Version Control

Item	Reason for Change	Version	Author	Date

Last Review Date: 6th December 2017

Next Review Date: January 2020

Scope	All General Needs, Community Housing and Supported Housing Tenants and Leaseholders
Effective date	18 th December 2017 (Committee approval).
Review date	3st January 2020
Signed Off	Interim Head of Housing – Angela Abbott
Author	Interim Housing Policy Manager – Stuart Morris
Strategy Owner	Housing Services
Legislation	Housing Act 1985 Housing Act 2004 Part VI, Rent Act 1977 Localism Act 2011 The Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 & 2017 Landlord and Tenant Act 1985 (as amended) Landlord and Tenant Act 1987 (as amended) Commonhold and Leasehold Reform Act 2002
Consultation	Annual estimated service charges should be agreed in consultation with Leaseholders in the Autumn prior to issue.

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