

Introduction of Service Charges from 4th April 2022

Frequently Asked Questions



What is a service charge?

A service charge is a payment for the costs of managing, maintaining, and providing specific services in addition to the basic rent you pay for living in your home.

Examples of services are:

- Cleaning of communal rooms/areas, hallways, corridors and staircases
- Window cleaning in communal areas
- Fire alarm
- Emergency lighting
- Electricity in communal areas

You may receive more or less services depending on where you live and the above are just some examples. Residents in sheltered schemes generally receive the most additional services.

As well as for a number of services as a tenant, you will also pay us a small administrative fee which is included in the service charge total, to cover the in-house cost of providing our services to you.

From 4th April 2022, it is proposed that tenants with shared communal areas will pay a service charge to contribute to the costs of communal services.

How are the service charges calculated?

Service charges have been calculated based on actual costs of services being delivered and planned services, apportioned (divided) by the number of properties in each block of flats or sheltered scheme.

How much is the Service Charge being proposed?

The proposed weekly service charge is £3.00 per week over the 48 weeks rent is charged.

The total cost of the additional services the Council provides to tenants of communal blocks and courts works out to over £6.00 per week on average. For some tenants it could amount to over £15 per week.

The proposed charge has been calculated based on some of the services being delivered to you. In this way, and by limiting the charge, we can ensure nobody paying the charge is over-paying for the services.

As part of the service charge mechanism, we will regularly review our service costs to ensure they deliver value for money.

Will Housing Benefit or Universal Credit help me to meet these costs?

Yes. If you are in receipt of Housing Benefit/ Universal Credit, service charges will be covered through your benefits, depending on your entitlement.

Why do you charge an administration fee?

This fee covers our costs incurred in designing, specifying, and offering services to contractors and monitoring the quality, thereafter, as well as the general administration of the charge. The administration fee is charged in addition to the actual costs. The fee is set at 15% of the total cost of the services which is a standard percentage used by other Councils and Housing Associations.



What is the reason for these charges?

Service charges like these have been charged by Councils, Housing Associations, Private Landlord and Estate Management Companies for many years and we have avoided introducing them for as long as we could. The costs of these services are considerable and are essential to meet the costs that we are paying for providing communal services. The charge will enable us to continue to provide these services.



Will I see any improvements?

Yes. We intend to create a 'service standard' for services which are delivered on a regular basis such as window cleaning. Equally in some general blocks of flats with communal areas, we are proposing to introduce cleaning of the communal areas on a monthly basis. This activity will incur additional costs to the Council.



Can I hold the Council to account for my service charge?

Yes. You can measure our performance against the service standards and the Council will publish the approximately date or week you would expect the activity to take place. We will also undertake satisfaction surveys on the service from time to time.



Why do I have to pay service charges when I pay rent?

Your rent only covers the rental of your individual property. Service charges cover the cost of communal services that you benefit from or will benefit from as above, which are outside your home and currently not included in your rent.



How many people will be affected by the introduction of service charges?

A total of 686 tenants will be affected, however around 71.9% of tenants affected by the charge will receive some support via Housing Benefit/Universal Credit for the charge.



Does this make my rent more expensive compared to some other Council's rents?

Even with the £3.00 charge per week, your overall rent with charges is still lower than other Council's in the area. As per the latest official data published by the Government Department MHCLG (year 2019/20), the average rent for a Council property (before any service charges are added) in the East Midlands is £7.44 per week more than in Ashfield. Mansfield District Council's average rent is £6.11 per week more and Newark and Sherwood District Council's average rent is £11.16 per week more.



Where does this money go and does the extra matter?

All the money the Council collects through housing rent and charges gets spent on the delivery of the housing service, Government rules are in place to ensure that money provided by tenants cannot be spent on non-housing projects or prop up services you would normally receive as part of your council tax. The extra money ensures we have enough money to carry on providing these services without taking money away from the other services we provide such as repairs, new kitchens, bathrooms and roofs and other services such as money management advice and individual tenancy support which are only available to our tenants.

Q What if I cannot afford to pay?

We work with all our tenants to offer welfare benefit advice and income maximisation. We will ensure you are getting all the benefits you are entitled to and can also signpost you to other agencies providing work, benefit, and debt management support. If you require the assistance of our Money Management Advice Team, please contact Tel – 01623 450000 (Option 1 then Option 2).

Q What if I am not happy with the standard of services provided?

Quality of service is important to us. Please be assured that we will undertake regular inspections of our communal areas. Any issues of concern about the service provided can be raised by emailing Tenancy@ashfield.gov.uk or by contacting us on Tel - 01623 450000 (Option 1 then Option 3).

Q Do I have to make a separate payment for my service charge?

No. Payment will be collected as part of your weekly rent.

Q When will the introduction of service charges start?

We are proposing to introduce the service charges from the 4th April 2022. We cannot introduce the charge without consultation with tenants as laid down in the Landlord and Tenant Act 1985. The charge will be reviewed on an annual basis in line with our rent policy.

Q Why is this service charge different from the amenity charge that was introduced in 2018?

The amenity charge is a charge for grounds maintenance/estate management of housing open spaces and for community safety. This service charge is to cover the cost of providing communal services in the building in which you live.

Q How do I know what to pay?

The rent, amenity charge and service charges that you are required to pay will be detailed in your annual rent and service charges notification letter, which you will receive in February/March each year.

Q Can I have a breakdown of my service charges?

If the service charges are introduced in April 2022, you will be able to request a breakdown of your service charges by contacting your Income Officer on the above number.

Q What will you do if I send in comments to you?

We will consider the comments you make but unfortunately, we are unable to respond to every comment received, but a summary of the findings will be available at the end of the process.
