

CYNGOR SIR POWYS COUNTY COUNCIL

Housing Services

Service Charges Consultation

Frequently Asked Questions



OVERVIEW

SERVICE CHARGING

- The Welsh Government has made it a legal requirement for all Local Authority Landlords in Wales to make a separate charge for services charges.
- This requirement is made in the Housing Act 2014.
- At the moment, the cost of looking after council housing is spread across all tenants.
- In the future the Council will have to separate some of these costs and charge them to the people who use the services.
- Service Charges will only be charged to the tenants who use them.
- We can also choose to charge people who have brought a Council property.
- Some of the charges may be eligible for Housing Benefit.
- We do not know what the changes will mean for you personally at the moment.
- We are hoping to let you know exactly what these changes will mean for you in February 2016.

YOUR VIEWS

- Although we have to bring in service charges there are different ways we could do this.
- We would like your views on this.
- You can give your views by answering the questionnaire provided.
- Your views will help us to decide how we bring in the new charges.

SERVICE CHARGES – FREQUENTLY ASKED QUESTIONS

1. What is a service charge?

A service charge is an amount of money that the Council needs to charge to cover for services over and above providing you with a home. The services we intend charging for from 2016 are:

Grounds maintenance to communal gardens
Landlord's lighting in communal areas
Landlord's heating costs for communal areas
Landlord's heating of individual flats
Cable or satellite TV provision
Fixture and fitting improvements within communal areas
Monitoring and servicing of door entry systems
Cleaning of communal areas including the cost of materials
Costs of communal TV digital systems

2. How are services charges calculated?

The calculation is made by working out the cost of the service provided and dividing that cost between those that receive the service. These calculations are normally made on a block by block (or scheme by scheme) basis so that tenants are only charged for the services they benefit from. This is then divided by the 48 rent weeks to calculate a weekly service charge,

So, if the annual cost of heating the communal areas to a block of flats is £480 and there are 10 properties in the block.

Then the cost per property is £480 divided by 10 = £48 per year per property

£48 divided by 48 rent weeks = £1 per week per property

So, each tenant in that block will be asked to pay £1 a week as a service charge for heating the communal areas.

3. Why is the Council imposing service charges?

The Welsh Government has made it a legal requirement for all Local Authority Landlords in Wales to make a separate charge for services charges. This requirement is made in the Housing Act 2014.

4. How much will I have to pay?

The Housing Team is currently calculating the charge for each property based upon the actual services received. We would like to assure you that the Housing Service will endeavour to keep service charges as low as possible to ensure that they are affordable. We will write to all tenants affected in February 2016 to detail the break-down of service charges.

5. Will my rent go down?

By moving the costs of some of our services to service charges, we will reduce the rents of all of our tenants by a small amount. Rent accounts will look different in the future, with a basic rent element and then a list of weekly charges for various specified services. For the tenants who receive these additional services, it is likely that the rent with the service charge added on top will be higher than your current rent alone.

Also, any small decrease in the rent element is likely to be outweighed by the annual rent increase for inflation that will come into effect in April 2016. Therefore, it is very unlikely that you will see a reduction in your rent element.

6. Will this affect my Housing Benefit?

Most services are eligible for Housing Benefit however some charges are not. Please consult the table

SERVICE CHARGE RAISED	ELIGIBLE FOR HOUSING BENEFIT
Grounds maintenance to communal gardens	YES
Landlord's lighting in communal areas	YES
Landlord's heating costs for communal areas	YES
Landlord's heating of individual flats	NO
Cable or satellite TV provision	NO
Fixture and fitting improvements within communal areas	YES
Monitoring and servicing of door entry systems	YES
Cleaning of communal areas including the cost of materials	YES
Costs of communal TV digital systems	YES

7. Is the Council making a profit out of service charges?

No, the charge will be calculated to only cover actual costs and so the Council will not make a profit.

8. What happens if I don't pay my service charges?

Non-payment of service charges will be considered in the same way as non-payment of rent and your home could be at risk if you do not pay your rent.

9. What if I do not want the services you offer?

Services are normally provided communally to a group of tenants and residents in a block, scheme or locality. As such we could not normally allow an individual household to opt out of a service. However, if an entire block, scheme or locality wish to decline a non-statutory service we will consider options for withdrawing services after consulting with all of those affected and considering the impact of the withdrawal of the service.

10. I don't use the laundry service at my sheltered scheme, why do I have to pay?

All services provided for the benefit of residents have to be paid for even if a resident decides not to use it. For example, where there is a communal washing machine, every resident who has access to it has to pay towards its upkeep even if they decide never to use it. However, we will consult with you on how best to provide the service so that it provides value for money.

11. Will service charges be the same rate for both a single person and a couple?

Yes, the service charge is a household charge based on the property not the number of people occupying it.

12. What if I do not think the quality of the service is worth the charge?

Please report any issues with the quality of service provided to your local Housing Management and Options Officer or in writing to David Roffey, Housing Services, The Gwalia, Ithon Road, Llandrindod Wells, Powys, LD1 6AA and the Housing Service will investigate your complaint. However, service charge payments should not be withheld.

13. When will the service charges be introduced?

We are calculating service charges at the present time and holding consultation events. We will launch the service charges from April 2016. The service charges that apply to you will be detailed in your rent increase letter that you will receive in February/March 2016.

14. How can I pay my service charge?

Service charges will be collected as part of your weekly rent but it will be separately identified on your statement.

You can pay with your rent in a variety of ways. It should be paid on the same rent account number and can be paid in the following ways:

Direct Debit	Pay Point
On-Line	Over the phone on (01597 827464)

15. Will you change my tenancy agreement?

No, the tenancy agreement already allows the Council to charge rent and other charges, so there is no need to change the agreement. The new rent and service charge for each tenancy will be formally introduced in the rent increase letter you will receive in February/March 2016 giving you a minimum of 28 days' notice of this change.

16. How will you use the information from the questionnaires and consultation meetings?

The introduction of service charges cannot be stopped or delayed. However, it is important that we understand the views of our tenants so that we can introduce these charges in a fair and equitable way. All completed questionnaires will be reviewed by our team and your views will be taken into account when we consider how services are provided and charged in the future.

17. Will services charges go up in future years?

Service charges will be reviewed annually and we will only charge tenants the cost of providing services. We will not impose a general inflationary increase to the service charge as we do with rents. This means that service charges will vary from year to year dependent upon costs. However, it is likely that over time the cost of providing services will increase and so the service charges will increase to reflect this trend.

18. Will the Council charge for additional services in the future?

Yes, in 2016 we will charge for a range of services, however, this list is not a complete list of all the services provided by the Council. We intend to introduce charges for additional services from 2017. These include:

- Lift Maintenance
- Fire safety
- Sewerage treatment works

We will undertake additional consultation with any tenants affected by these new charges next year.

19. What if I don't receive a service that I have been charged for?

If you think you have been charged for a service you don't receive, you will need to let us know the details. You can do this by contacting us (01597 827464).

20. What if I am unhappy with the amount being charged?

You will have the opportunity to discuss your concerns with your Housing Management and Options Officer or contact the First Contact Officers (01597 827464). However, if you feel you are not happy, you can request a review by the Resources Team Leader who will make further investigations to make sure that you have been fairly charged.