



manningham
HOUSING ASSOCIATION

RENT SETTING & SERVICE CHARGES POLICY

1. DEFINITION

- 1.1. Manningham Housing Association puts its customers at the heart of the organisation and recognises that the appropriate setting and collection of rents and service charges is essential to the viability of MHA and the provision of value for money services to customers.
- 1.2. This Policy sets out the obligations and responsibilities with regards to rent and service charge setting, the mechanisms in place for the calculation, review and recovery of such charges, and the framework of communication with customers in respect of these charges.

2. AIM

- 2.1. The overall objective of the policy is to ensure that rents and service charges are applied and recovered in accordance with legislative and regulatory requirements and provide a fair and affordable system of charging to customers that represents good value.

3. WHEN WILL THIS POLICY BE ACTIVATED?

- 3.1. This policy will take immediate effect following Board approval. The provisions contained herein will apply to the calculation of charges for the financial year 2022/23 onwards.

4. KEY PRINCIPLES

- 4.1. This Policy defines the strategic approach to charging customers rents and service charges. The strategic approach to rents and service charges includes:
- Compliance with legal and regulatory requirements
 - Compliance with the terms of tenancy agreements, leases and other relevant legal documentation
 - Financial viability of MHA and full-cost recovery in respect of chargeable services
 - Affordability for customers on low incomes and / or state benefits
 - Representing value for money

5. MONITORING AND REVIEW

- 5.1. The Rent Setting & Service Charges Policy will be subject to annual review by the Board, in conjunction with approving the rent increase for the forthcoming year.

6. OTHER RELEVANT DOCUMENTS

- 6.1. This policy should be read in conjunction with the following relevant documents:
- Lettings Policy
 - Income Management Policy
 - Tenancy agreement / Leaseholder lease

- 6.2. Main contact for further information: John Kent, Director of Finance & Resources

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|-------------------------------|--|
| Policy Name | Rent Setting & Service Charges Policy |
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| Lead Officer | Director of Finance & Resources |

Rent Setting & Service Charges Policy

1. Introduction

Manningham Housing Association (MHA) aims to provide high quality, affordable housing to the communities of Bradford, and in accordance with all relevant standards set out by the Regulator of Social Housing (RoSH). The setting of appropriate rents and service charges are of central importance to achieving this aim, as well as ensuring the long-term viability of MHA.

This policy details the principles and framework upon which rent setting and service charges calculation will be based, and the mechanisms for communicating with customers on these charges.

2. Purpose & Aims

The purpose of this document is to set out how MHA will set rents and service charges and how customers (tenants, leaseholders and shared owners) will be communicated with in this regard.

The policy aims to ensure that MHA's rents and service charges:

- are set and maintained in accordance with the RSH Rent Standard for socially rented properties for residents of tenanted properties
- are charged in accordance with the conditions of any lease and / or other legal document for shared ownership and leasehold properties
- are compliant with the requirements of the Landlord & Tenants Act 1985 (and subsequent amendments) and other relevant legislative requirements
- are set at levels that are affordable to customers on low incomes and / or in receipt of state benefits, represent value for money, and which adequately meet the operating and other costs of MHA.

3. Strategic Approach

Rents will be set in accordance with relevant legislative provision, Government guidance and regulatory requirements. The setting of rents will be subject to annual review and approval by the Board, with the intention of maximising income whilst ensuring affordability and delivery of corporate objectives.

Service charges will be calculated on the basis of full cost recovery, with Board assessing the level of increase each year and setting a cap on the level of increase where it is felt appropriate to do so.

4. Scope

This policy covers:

- Current and new Social Rent tenants
- Growth units, including Affordable Rent
- Shared Ownership rents
- Service Charges

This policy does not cover any charges collected by MHA on behalf of a third party.

This policy applies to all tenants, leaseholders and shared owners of Manningham Housing Association.

This policy does not apply to any commercial tenancies or agreements between MHA and a third party.

5. Responsibilities

Key areas of responsibility relevant to the approval and implementation of this policy are set out below.

Board

The Board are responsible for establishing the overall framework for the setting of rents and service charges, and ensuring the policy approved annually complies with regulatory and legislative requirements and meets MHA's 30 year Financial Plan and annual budget objectives.

Chief Executive

The Chief Executive has responsibility for ensuring this policy is applied to ensure compliance with regulatory and legislative requirements and to meet MHA's 30 year Financial Plan and annual budget objectives.

Executive

The Director of Finance and Resources has responsibility for ensuring that rents and service charges are calculated in accordance with this policy, and that appropriate financial and other support and advice is provided to the Board, Executive Team and Management as required.

The Assistant Chief Executive and Director of Operations has responsibility for ensuring that appropriate housing services related support and timely advice is provided to the Board, Executive Team, Management, staff and customers, in respect of rent and service charge setting, as appropriate.

Managers

The day-to-day responsibility for the implementation of rent and service charges and the timely communication with customers rests with line managers who are responsible for:

- ensuring prompt implementation of rent and service charges increases / decreases following Board decisions
- ensuring housing management and other systems are updated in a timely manner
- ensuring there is timely and appropriate communication with customers, and that customer enquiries are dealt with promptly and effectively
- ensuring prompt implementation of any internal audit or other recommendations

Tenants, Leaseholders and Shared Owners (Customers)

Customers are required to comply with all terms and conditions of their Tenancy Agreement, lease or other legal agreement.

The framework for collection of rents and service charges due is covered separately under the Income Management Policy.

6. Rent Setting

6.1 Current and New Social Rent Tenants

In November 2017 the Government announced that the previous Rent Standard Guidance would be reinstated for a five year period (2020/21 – 2024/25 inclusive) at the end of the rent reduction period. This allows Registered Providers to increase social housing rents by CPI + 1% per year, with CPI taken by reference to the prevailing CPI rate at the September prior to the increase being implemented.

A CPI+1% rent increase will be applied from April 2022, the policy for setting social housing rents from will continue to be defined as further Government guidance becomes available.

Rents will be calculated and collected over 52 weeks each year. Rent increases / decreases will take effect on the second Monday of April each year. Tenants will be notified in writing at least 28 days prior to the change in rent coming into effect.

The rent chargeable on re-lets mid-year will be the same as the rent charged under the previous tenancy, excluding any specific allowances / adjustments applied that relate specifically to the individual tenant(s).

The Board will revisit this policy annually and confirm the policy assumptions set out above remain appropriate or make amendments to the policy as deemed appropriate.

6.2 New Units and Affordable Rent Tenants

Under the Affordable Homes Programme 2011-15 and 2015-18, MHA entered into delivery agreements with the HCA (now Homes England) which required that a number of social rented properties be converted to an Affordable Rent to part-subsidise development of new, affordable homes. These programmes are now complete, and MHA does not envisage any further conversions from social rent to Affordable Rent.

The Affordable Rent calculated at the point of conversion was defined as 80% of the comparable market rent, and set based on third party valuations. These properties will remain on an Affordable Rent unless otherwise explicitly decided by the Board.

Rent increases for Affordable Rent properties will be calculated using the same formulae and timescales as defined under 'Current and New Social Rent Tenants'.

- Newly developed properties for social rent will have the rent (excluding services) calculated with reference to the rent setting formula as stated in the Government Policy Statement on rents for social housing. The regulations include the option to flex target rents by up to 5%, and this flexibility will be considered for new tenancies with a social rent whose development appraisal has been approved on the basis of utilising the 105% flexibility.

Newly developed properties for Affordable Rent will have their rent (including service charge) set at a maximum of 80% of Market Rent. The actual rent will take into account issues of affordability for the target customer group and will not exceed the 80% but may be lower.

6.3 Shared Ownership Rents

MHA has previously developed a number of homes for Shared Ownership. The initial rent was calculated at the point of sale based on the delivery agreement with the (then) HCA, based on a percentage of the value of the unsold equity.

Shared ownership rent increases will be calculated in accordance with the terms of the lease; typically this will be calculated as CPI + 1%, with CPI taken by reference to the prevailing CPI rate at the September prior to the increase being implemented, and applied on the second Monday of April each year.

7. Service Charges

Under the terms of its tenancy agreements and leases, MHA operates a variable service charges regime. Service charges applied by MHA are additional to the basic rent charge; they are property-specific and are calculated on the basis that MHA recovers the full cost of providing these services,

and that these costs are fair and reasonable. Service charges are reviewed on an annual basis to ensure the service charge income is sufficient to cover future costs of service provision.

Any service charges for which an individual tenant, leaseholder, RTA owner or shared owner is liable to pay will be detailed in the relevant tenancy agreement, lease, or other legal documentation.

For the purposes of this section of the policy, tenants, leaseholders and shared owners are referred to collectively as 'customers' and provisions apply to all unless specifically stated otherwise.

7.1 The Service Charges cycle

The variable service charges regime will be operated on a cyclical basis as illustrated at **Appendix 2**.

7.2 Relevant services

MHA will recover from tenants the costs associated with providing services to schemes, blocks of flats, estates and / or individual dwellings that fall outside its statutory duties as a social landlord. Costs will be recovered from leaseholders and shared owners in accordance with the terms of the lease / legal agreement.

Each customer will pay service charges only in respect of the service and work pertaining to the scheme / block / estate in which their property is situated, including a proportionate management and administration charge.

Where specific equipment or an individual service has been provided to support a tenant in maintaining their tenancy, the cost of that service and of servicing any equipment will be charged as a service charge specific to that property / tenancy.

An illustrative list of services for which costs are recharged through service charges is provided as **Appendix 1** to this policy.

7.3 Apportioning shared service costs

In apportioning costs between residents in a block and / or estate, MHA will seek to achieve a fair and reasonable apportionment of the costs between all residents in the block and / or estate. Apportionment will be calculated for all customers on the same basis, regardless of tenure, and costs applied equally across all properties unless there are specific grounds to use an alternative method of apportionment. Apportionment will be based on the services that are available to, but not necessarily used by, customers, in accordance with the terms of their individual agreement.

There are some service costs which are non-recoverable from tenants, but which are charged to leaseholders and shared owners, typically for an apportioned contribution to the maintenance of common parts and buildings insurance. In these instances, costs will be apportioned based on the total number of properties receiving the service, but only charged to those properties eligible to pay for them.

An estimate of the budgeted costs for providing services for the forthcoming year will be used as the basis of costs to be apportioned.

7.4 Management, Administration and Other Costs

A management and administration charge of 15% of the estimated service costs (before over- / under-recovery adjustment) is applied to all service charges to cover the costs of centralised management and administration of the variable service charges regime.

7.5 Statement of Actual Income and Expenditure and Over / Under Recovery of Service Costs

Service charges for the year will be calculated based on the estimated costs of service provision for the forthcoming year. Within six months of the end of each financial year, each customer will be provided with a written statement (the Service Charge Statement) setting out details of actual income and costs for the year.

Where there has been under-recovery of actual costs, this will be recovered in accordance with the rules applicable to a variable service charge regime. The amount of any under-recovery will be added to the amount of service costs to be recovered in the year immediately following the date of the Service Charge Statement and recovered in equal instalments throughout the year.

Where there has been an over-recovery of actual costs, this will be adjusted for in accordance with the rules applicable to a variable service charge regime. The amount of any over-recovery will be deducted from the amount of service costs to be recovered in the year immediately following the date of the Service Charge Statement and adjusted for in equal instalments throughout the year.

Management will seek to minimise the level of over and under recovery each year through setting appropriate budgets based on historic data and forecast activity.

7.6 Notification and Recovery of Service Charges

All customers will be notified in writing of the service charges applicable to the forthcoming financial year, at least 28 days in advance of the new charges coming into effect (the Rent and Service Charges Letter). This will include details of whether charges are eligible to be covered by Housing Benefit (or not).

Following the introduction of Universal Credit, the Department for Work and Pensions has issued further guidance, 'Universal Credit service charges – guidance for landlords (30 December 2019)', which provides detail as to which charges are eligible / ineligible for inclusion in calculating UC entitlement. An extract of this guidance is provided at Appendix 1.

Where there is a change in circumstance in-year that results in the introduction of a new service charge, e.g. completion of a disabled adaptation, customers will be notified in writing at least 28 days in advance of the new charge being applied to their account.

Charges will be made and recovered on a weekly basis.

Customers are required to pay service charges under the conditions of their tenancy, lease or other legal agreement. Non-payment will result in the relevant arrears recovery policy being applied.

7.7 Communication with Customers

As set out above, customers will receive the following regular communication in respect of service charges:

- **Rent & Service Charges Letter:** sent out at least 28 days prior to the implementation of new service charges (typically late February / early March each year), this letter will detail the charges payable for the forthcoming financial year, the date from which they come into effect, supporting information on how charges are calculated, and advice / contact information for customers who are experiencing financial difficulties.
- **Service Charges Statement:** sent out within six months of the end of each financial year (typically late September), this statement provides information on the amount of income collected, actual

costs incurred, and resultant over / under recovery of costs for the previous financial year. The cover letter will explain to customers how the over- / under-recovery will be dealt with.

Detailed calculations of service charges and actual costs are not provided routinely. Customers can request additional information regarding how their charges are calculated, this will be provided on a case-by-case basis.

7.8 Challenging Service Charges

The law requires that

Service charges can go up or down without any limit, but the landlord can only recover those costs which are reasonable. Leaseholders have rights to challenge service charges that they feel are unreasonable at the Tribunal

The law also expects the landlord to behave in a 'reasonable' manner with regard to his expenditure on the building. The landlord has a long-term interest in maintaining the condition and the value of his investment. The leaseholder may have a much shorter-term view, only intending to remain in the property for a few years. These different viewpoints often lead to dispute.

A landlord is not usually bound to minimise the costs. However, the law states that service charges must be 'reasonable' and where the costs relate to works or services are of a reasonable standard.

Both landlords and leaseholders have a right to ask the Tribunal whether a charge, or a proposed charge, is reasonable; however, there is no statutory definition of what is 'reasonable'. The Tribunal will consider the evidence presented and then make a determination on the matter.

An application may be made to the Tribunal whether or not the charge has already been paid. It can be in respect of costs already incurred for works, services or other charges, or in respect of an estimate or budget. However, if the charges have been agreed or admitted by the leaseholder or finally determined by a court or tribunal, or by post-dispute arbitration, no application to a Tribunal can be made.

Further information can be found at: <https://www.gov.uk/housing-tribunals/apply-to-the-tribunal>

8. Right to Buy, Right to Acquire and Shared Ownership Staircasing

Under provisions of the terms applicable to the Right to Buy, Right to Acquire and Shared Ownership schemes, from time to time a customer may opt to purchase some or all of their property.

Where a property is purchased under Right to Buy or Right to Acquire, the rents and service charges payable under the terms of the tenancy agreement will continue to be applied up to the date of completion of sale. Any arrears in respect of rents and service charges at the point of sale will typically be deducted from the proceeds from sale. Where a tenant purchases under Right to Buy or Right to Acquire:

- If the property is acquired on a freehold basis, no further charges will be payable by the customer
- If the property is acquired on a leasehold basis, service charges will be applied in accordance with the specific terms of the lease from the date of purchase. An estimate of charges for the first five years will be provided if legally required under the DCLG guidance 'Your Right to Buy Your Home'.

Where the initial tranche of a property is acquired under Shared Ownership, rent and service charges will be calculated in accordance with Sections 6 and 7 above, and will be applied from the date of purchase.

Where an existing shared owner purchases an additional tranche of their property, known as staircasing, the rent will be adjusted in accordance with Section 6.3 of this policy and the new rent applied from the date of staircasing purchase. Service charges will continue to be applied in accordance with the terms of the relevant legal agreement.

Where service charges are to be charged after completion of a Right to Buy or Right to Acquire Sale, or where a shared- owner staircases to 100% ownership, a schedule of estimated charges for the following five years will be provided prior to completion. Charges made within this period will not exceed the estimate provided.

9. Document Retention

Documentation pertaining to the legal agreement between MHA and the customer, such as the tenancy agreement or lease, will be retained in perpetuity of the agreement.

Documentation pertaining to charges applied, including copies of relevant invoices, will be retained in line with HMRC guidance for tax purposes, namely six years plus the current year.

Records may be retained electronically or in paper format, and with reference to the relevant requirements of the Data Protection Act.

10. Regulation and Legislation

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| Legislative and regulatory guidance relevant to this policy includes: |
| Landlord & Tenant Act 1985 (and subsequent amendments) |
| Commonhold and Leasehold Reform Act 2002 |
| Welfare Reform and Work Act 2016 |
| Housing and Regeneration Act 2008 |
| Equality Act 2010 |
| RoSH: Rent Standard |
| DWP: Service Charges Guidance for Landlords |
| DCLG: Your Right to Buy Your Home |
| NHF: Service Charges (5 th Edition) |

APPENDIX 1: Schedule of Chargeable Services, including Eligibility for Housing Benefit**a) Charges applied by Manningham Housing Association**

| Service Charge | Description | HB Ineligible | UC Ineligible | Chargeable To* |
|--------------------------------------|--|----------------------|-----------------------|--|
| Communal Adaptations | Servicing of communal lifts and any other specific adaptations | | | All (Anchor Ct) |
| Equipment Maintenance | Servicing of communal equipment and installations Running costs of intercom system (excluding repairs) | | | All All (Anchor Ct) |
| Estates and Communal Areas* | Caretaking / Cleaning of communal spaces and associated direct costs (including communal window cleaning) TV license for communal areas | | | All All (Anchor Ct) |
| External Contractor Charges | 3 rd party block management charges (where MHA hold properties on long lease) | | | All (Fiddlers Mill, Woodsley Fold & Pollards Park) |
| Grounds Maintenance and Landscaping* | Maintenance of communal green spaces and associated direct costs | | | All |
| Laundry Charges | Running costs of communal laundry facilities | | | All |
| Utilities – Communal** | Gas, electric and water supplies to communal areas / facilities | | | All |
| Utilities – Personal | Recharge of gas, electric and water supplies that are supplied through a communal meter but which relate to individual residential properties | ✓ | ✓ | All (Anchor Ct & St Mary Mag) |
| Window Cleaning – Personal | Cleaning of external windows of residential properties within a block | | ✓ – if property is on | All |

| Service Charge | Description | HB Ineligible | UC Ineligible | Chargeable To* |
|----------------------|--|---------------|---------------|-------------------------------------|
| | | | ground floor | |
| Personal Adaptations | <p>Servicing of lift provided as a specific property adaptation (ie property adaptation rather than communal adaptation)</p> <p>Decommissioning of adaptations that are no longer required (one-off, on request)</p> | | ✓ | All |
| Insurance | Apportioned share of landlord property insurance | ✓ | ✓ | Leaseholders and Shared Owners only |
| Management Charge | 15% of calculated service charges | Part | Part | All |

* All refers to all customers receiving the service, regardless of tenure

This list may be subject to change and will be periodically updated if new charges are applied or if an existing charge is discontinued

b) Universal Credit Service Charges Regulations

The following is an extract from the DWP document *Service Charges – A Guide for Landlord*, pertaining to the eligibility of service charges for inclusion in the calculation of Universal Credit entitlement

Service Charge Payments (whether eligible or ineligible) Definition

10. Service charge payments are (UC Regulations 2013, Schedule 1, Paragraph 7(2)):

- Payments of, or towards, the costs of or charges for providing services or facilities for use or benefit of persons occupying the accommodation; or,
- Fairly attributable to the costs of or charges for providing such services or facilities connected with accommodation as are available for the use or benefit of persons occupying accommodation.

11. A service charge payment is still classed as a service charge payment whether or not they are separately identified as meeting the conditions in paragraph 9 above, whether or not they are made as part of or in addition to any other payment (such as rent) and whether or not they are made under the same agreement as that under which the accommodation is occupied. (UC Regulations 2013, Schedule 1, Paragraph 7(4)(a), 7(4)(b), 7(4)(c)).

12. Payments are excluded where the services or facilities to which the payments relate are provided for any person occupying (UC Regulations 2013, Schedule 1, Paragraph 7(3)(b)):

- A tent;
- Approved premises;
- A care home; or,
- Exempt accommodation.

13. Payments are also excluded where a loan, secured on the property that the service charges refer to, was taken out for the purposes of making the service charge payments. (UC Regulations 2013, Schedule 1, Paragraph 7(3)(a)):

14. There are **four conditions** for eligible service charges payments.

15. The **first condition** is that the right to occupy the accommodation is dependent upon the tenant paying service charges, for example where it forms part of the tenancy agreement. (UC Regulations 2013, Schedule 1, Paragraph 8(3))

Eligible Service Charge Categories

16. The **second condition** is that the service charge wholly falls into one or more of the following categories (UC Regulations 2013, Schedule 1, Paragraph 8(4)):

- Category A: Maintaining the general standard of the accommodation
- Category B: Areas of communal use
- Category C: Basic communal services
- Category D: Tenant accommodation-specific charges

17. Comprehensive detail about the specific eligible service charges that come under these categories can be found below.

18. The **third condition** is that the costs or charges are reasonable and that they relate to such services as it is reasonable to provide. (UC Regulations 2013, Schedule 1, Paragraph 8(5))

Exclusions

19. The **fourth condition** is that none of the following applies to the service charge (UC Regulations 2013, Schedule 1, Paragraph 8(6)):

- Public funding (in the form of benefits, grants or other sources) is designed to contribute towards the cost of the service or facility, irrespective of whether the tenant has claimed for the funding;
- Where the tenant would acquire an asset, or interest in an asset;
- Any charges for meals, medical services, personal services of any description; and,
- Charges deemed as ineligible service charges by virtue of not meeting the requirements of an eligible service charge.

Exhaustive List of Eligible Service Charges

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.); and,
- 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; and,
- 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.

Examples of Ineligible Service Charges

20. The following list is for illustrative purposes and is not exhaustive:

| Examples of Ineligible Service Charges |
|--|
| Individual living expenses, such as heating, lighting and hot water for the tenant's accommodation; |
| Meals; |
| Personal services, such as a laundry or cleaning service; |
| Nursing or personal care services (help with personal hygiene, eating, dressing etc.); |
| Counselling, medical or support services; |
| Any medical expenses (including those relating to the provision of counselling); |
| Transport; |
| Installation, maintenance or repair of any special equipment or adaptations to the tenant's accommodation in respect of disability or infirmity of tenants; |
| Individual emergency alarm systems; |
| Subscription or fee-based television (e.g. satellite television subscription); |
| Such communal social recreational areas that would be considered unreasonable, or excessive, to provide such as gyms, bars, shops, hairdressers, restaurants, café's or swimming pools; |
| Gardening for an individual's gardens; |
| Provision of furniture and recreational facilities in communal rooms (such TVs, computers, internet connection, TV licences etc.); |
| Depreciation of assets providing an eligible or ineligible service; |
| Water, sewerage and utility charges relating to anything other than communal areas; and, |
| Arrears of service charges owed by the tenant due to non-payment – these to be recovered through separate arrears repayment agreement with the landlord, or via 3rd party deductions from benefit. |

The Service Charges Cycle

