**CIPFA\ quick guide to service charges**

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|  | | ***Spring 2013*** |
| Welcome to this quick guide to service charges.  This guide raises the issues you may need to consider depending on your residents and refers you to existing guidance or relevant legislation in England.  Service Charges – How compliant are your service charges? Can your residents afford the services you provide for them? If you’re not sure where to start to review your charges, read this handy guide just published by the CIPFA Housing Panel.  The guide is brought to you by the CIPFA Housing Panel in co-operation with the National Housing Federation.  CIPFA’s Housing Panel would like to thank the author, Pascale Mézac, a long-standing member of the Housing Panel.    **Contributions, Subscribing, Contacts**  Please send any questions or comments you may have to lesley.lodge@cipfa.org (Lesley Lodge is Finance & Policy Manager, Housing)  If you would like to receive and future bulletins or quick guides, please contact**:** [julian.smith@cipfa.org](mailto:julian.smith@cipfa.org)  Further information about the panel’s activities and publications is available at the CIPFA website:  <http://www.cipfa.org/Policy-and-Guidance/Technical-Panels-and-Boards/Housing-Panel>  or from the Panel Support Officer, Julian Smith, email**:** [julian.smith@cipfa.org](mailto:julian.smith@cipfa.org)  **Model accounts for housing associations**  Colleagues working in housing association finance may find the model sets of accounts on the panel website (link as above) helpful. CIPFA is grateful to Grant Thornton for sharing them. | |

**SERVICE CHARGES – QUICK GUIDE**

This quick guide raises the issues you may need to consider depending on your residents and refers you to existing guidance or relevant legislation in England.

**The legal framework**

Be clear on time limits which may affect you: either set in legislation regarding delivering accounts within 18 months of charge incurred or set in an agreement.

[Service charges: a guide for housing associations (4th edition)](https://www.housing.org.uk/OnlineStore/Default.aspx?tabid=44&action=INVProductDetails&args=9434)

[Residential property tribunal](http://www.justice.gov.uk/tribunals/residential-property) and [Lease advisory service charges guide](http://www.lease-advice.org/publications/documents/document.asp?item=14)

[RICS Service charge residential management code 2nd edition](http://www.rics.org/uk/knowledge/professional-guidance/codes-of-practice/service-charge-residential-management-code-2nd-edition/)

[Irish Housing Act](http://www.dsdni.gov.uk/index/law_and_legislation/law-relating-to-housing.htm) and [Northern Ireland - Housing Advice](http://renting.housingadviceni.org/prs/about-this-website.html)

[The Registered Social Landlords Accounting Requirements (Scotland) Order 2007](http://www.legislation.gov.uk/ssi/2007/165/contents/made)

[Scottish Housing Charter](http://housingcharter.scotland.gov.uk/media/34241/the%20scottish%20social%20housing%20charter.pdf) [Housing (Scotland) Act 2010](http://www.legislation.gov.uk/asp/2010/17/contents/enacted)

[Model Scottish Secure Tenancy Agreement](http://www.scotland.gov.uk/Publications/2002/09/15391/10792) and [Model English tenancy agreements](http://www.housing.org.uk/publications/find_a_publication/housing_management/model_tenancy_agreements_memb.aspx)

**Disputes – arbitration, tribunal and decisions**

Be prepared as things may go wrong. Good advice is available online, think before you make changes and check your agreements.

[Residential Property Tribunal decisions](http://www.justice.gov.uk/tribunals/residential-property/decisions#top) or [Ministry of Justice - decisions](http://www.residential-property.judiciary.gov.uk/search/decisions_browse.jsp)

[Residential Property Tribunal for Wales](http://wales.gov.uk/topics/housingandcommunity/housing/private/renting/rpt/;jsessionid=FADAC6DD630AF10643A81F5608DA74FB?lang=en)

**Housing Benefit and Universal Credit**

[Universal credit - service charges guidance for Landlords](http://www.dwp.gov.uk/docs/universal-credit-service-charges-guidance-landlords.pdf)

and [NHF latest information on Universal Credit](http://www.housing.org.uk/publications/find_a_publication/legislation/universal_credit_regulations_b.aspx)

**Accounting and Reporting**

* Sinking funds
* [Annual accounts technical guide from ICAEW](http://www.icaew.com/~/media/Files/Technical/technical-releases/legal-and-regulatory/tech-03-11-residential-service-charge-accounts.pdf)
* Audit fees

**Making changes and communication**

* Watch out: consultation timetable –v- EU legislation impact.
* The law requires consultation with residents if costs exceed £100 pa or £250 one off per service charged, including VAT (section 20) [Lease advisory Service guide on section 20](http://www.lease-advice.org/publications/documents/document.asp?item=19)
* If the lease of tenancy says so
* Good practice to agree changes
* Need for consensus
* Use existing networks and residents’ associations

**Value for Money**

VFM guidance still useful (March 2007 Housing Corporation)