

Housing costs – service charges

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Introduction

Housing costs is an amount included in the calculation of Universal Credit to help with housing costs, including service charges for social housing or a property owned by a claimant.

In the private rented sector (PRS) service charges can be covered but the total housing cost is restricted to the relevant Local Housing Allowance. Usually the PRS doesn't breakdown service charges but includes them in the overall rent; because this is capped by the LHA.

In the social rented sector and owner-occupied accommodation, additional conditions on service charges exist. The amount of any eligible service charges in the social rented sector, are set out in an Eligible Service Charges statement given to the claimant by their landlord.

Management companies will usually send out annual accounts but not get involved in suggesting what service charges may or may not be eligible.

Eligible service charges for the social rented sector and owner-occupiers

Only service charges from the following list are eligible:

- maintaining the general standard of the accommodation, including internal and external maintenance and repairs, and window cleaning of the upper floors only of a multi-storey building
- general upkeep of communal areas, including maintenance, cleaning and utility costs for internal and external areas such as laundry rooms and children's play areas
- basic communal services that are available to everyone living in the accommodation, such as refuse collection, communal lifts, secure building access, wireless or television aerials to receive free channels

- the use of essential items provided in the accommodation such as furniture or domestic appliances

Service charges on tenancy agreements

Information regarding service charges is usually detailed on tenancy agreements. If the claimant is unsure of the service charges they may be paying as part of their tenancy agreement, advise them to contact their landlord.

Disagreement of service charges

Universal credit policy is to accept landlords detailing of acceptable service charges. A referral to a decision maker is made where any disagreement exists.

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