

Service charges

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Service charges

Service charge payments are payments towards the cost of providing facilities or services such as general maintenance and repairs, insurance of the building, lifts, lighting and cleaning of communal areas.

In the private rented sector (PRS) a tenant's rent liability is usually made up of both rent and service charges and not always identifiable separately. Claimants in the PRS do not need to provide separate service charge information.

In the social rented sector (SRS) landlords are responsible for providing their tenants with details of any service charge.

Owner occupiers may have service charges if their home was purchased on a leasehold basis.

Service charge payments cannot be paid where:

- payments are available from another source
- the claimant obtains an interest or asset as a result of the payment
- it is for the provision of food, personal/medical care or personal services.

Social rented sector and owner occupiers

To receive help with any eligible service charge, claimants in the SRS and owner occupiers must be liable for the service charge and the payment must be a condition of them occupying the accommodation.

The amount of the service charge and the costs for the service or facilities provided must be reasonable and fall into one of the following categories:

- maintaining the general standard of the accommodation
- general upkeep of areas of communal use
- in respect of basic communal services
- accommodation specific charges.

For information on determining eligible service charges, see ADM Chapter F2
Service charge payments F2050 - F2080