

## Service Charges

A “service charge” is an amount payable by a tenant or homeowner for services in addition to the rent and/or mortgage towards the cost of services to your building or estate. Your tenancy agreement or lease will set out if you are required to pay a service charge or not.

### How do fixed and variable Service Charges differ?

- **Fixed Service Charge** - A fixed Service Charge is estimated before the start of the financial year. At the end of the financial year the actual cost is calculated and if it was more or less the difference is **not** collected or refunded.
- **Variable Service Charge** - A variable Service Charge is estimated before the start of the financial year. At the end of the financial year the actual cost is calculated and if it was more or less the difference is collected or refunded.

### What is the difference between personal charges and service charges?

- **Service Charges** - are charged in addition to your rent for services provided to the communal areas of your block, estate or scheme and these costs **are usually** housing benefit and universal credit eligible.
- **Personal Charges** - are charged for services provided specifically to your individual property for things such as heating your individual home or for wellbeing services in our independent community living schemes. These costs **are not** housing benefit and universal credit eligible.

### What type items can be covered by Service Charges?

- Heating or lighting communal areas
- Grounds maintenance
- Janitorial services and pest control
- Servicing of fire safety equipment
- Building Insurance (Homeowners only).

### What type items can be covered by Personal Charges?

- Heating or lighting your individual home
- Sewerage treatment
- Wellbeing Team.