



# Rent and Service Charges



Your guide on rent and service charges, including rent and service charge arrears

Sandbourne Housing Association  
Registered Office: Beech House, 28-30 Wimborne Road, Poole, BH15 2BU  
Tel: 01202 671222  
Email: [info@sandbourne.org.uk](mailto:info@sandbourne.org.uk)  
[www.sandbournehousingassociation.org.uk](http://www.sandbournehousingassociation.org.uk)



# Introduction

This leaflet has been produced to give you some general guidance about the rent and/or services charges that you may be required to pay to Sandbourne. It also covers what to do and what happens if you fall into arrears.

You must pay any rent and/or service charges due to us on time in line with your tenancy agreement, lease or arrangement. This is very important if you want to stay in your home. We also require this income to maintain the properties and provide services to you.

When we talk about 'rent and/or service charges', this can mean rent and service charges for tenants and shared owners, or service charges for leaseholders.

In this leaflet, the use of 'you' or 'residents', can relate to tenants, leaseholders or shared owners.

The use of 'us' or 'we' refers to Sandbourne Housing Association.

## What is rent?

Where applicable, your rent is the money we charge you for providing you with your home, housing services and maintenance services. It does **not** include service charges or support service charges.

Our rents should be affordable 'Social Rents' to people on low incomes and will be significantly cheaper than rents charged by private landlords.

Rents are reviewed once a year and may increase or decrease subject to government regulations.

## What are service charges?

Where applicable, you pay service charges for communal facilities or services, for example:

- repairing, maintaining and cleaning the building and communal areas inside the building;
- communal laundry facilities;
- communal lounges, kitchens and guest rooms;
- providing and maintaining communal furniture, equipment and laundry appliances;
- providing lighting, heating and water in communal areas;
- maintaining the emergency alarm and door entry systems;
- maintaining and landscaping communal gardens;
- providing signage;
- refuse collection;
- maintaining communal car parking.

Service charges are based on the actual cost of delivering the service to the actual scheme or site. We review these once a year and they may increase or decrease. You may inspect our financial records about service charges as long as you let us know beforehand. You can also request a copy of a service charge schedule, at any time, for your home by contacting the registered office.

## What are support charges?

These charges only relate to our Extra Care and 60+ accommodation for any special services received, for example providing 24-hour, 365 days a year, emergency alarm system monitoring (personal alarm) to a care line provider.

## What about heating, electricity/ gas and water charges?

Some tenants pay a separate heating, electricity/gas or water charge to us for their heating and water they use in their own flat. All new residents are advised of what, if any, charges they will need to pay and these are also shown on the annual service charge schedule mentioned earlier, a copy of which is also provided when signing up for your new home.

## What about Council Tax?

Council Tax is something which you are responsible for and you will need to pay this directly to the council.

## How much rent and/or service charge do I pay and how often?

As an existing resident, you will be sent a letter once a year advising what your rent and/or service charges will be for the next 12-month period. This will detail either your weekly or monthly rent and/or service charges, if any. New residents will be advised of their rent and/or service charges when signing up for their new home.

Although many existing residents pay their rent and/or services charges on a weekly basis (52 weeks of the year) increasingly more residents now pay their rent and/or services charges on a monthly basis (12 months a year). Monthly payments are preferred by us and this is the only option offered to new residents. There are **no** rent free weeks or months.

Whether you pay weekly or monthly, you need to remember the timing of any housing or other benefits paid directly to

you. Your rent and/or service charges are payable in advance, regardless of when any benefits might be received by you, and you should plan for this.

The important thing is that you pay us the correct amount at the agreed time to ensure that your account does not go into arrears. If you are unable to do this, you must contact us immediately so that we can discuss this with you further. See section later in this leaflet on rent and/or service charge arrears.

## **How do I pay my rent and/or service charges?**

We have a separate leaflet called 'Payments (Ways to Pay)'. This explains in more detail about the Direct Debits we can set up for you; 'allpay' payment cards; and paying by bank transfer. We no longer set new residents up with Standing Orders and prefer not to accept cash payments made directly to us, unless by agreement.

## **What if I need to pay a one-off or top-up payment to you?**

You can do this using your 'allpay' payment card; bank transfer; over the phone to 'allpay'; or by cheque payable to Sandbourne Housing Association. Please see the separate leaflet on 'Payments (Ways to Pay)'.

## **How do I keep track of my payments and my account?**

Whichever method of payment you have chosen; your payments will be recorded on your account when received by us. Please bear in mind that it may take a couple of

days for payments to reach us and appear on your statement.

We aim to send out quarterly statements but again, would remind you to consider the timing of payments made by you and when any benefits might also be due to be paid (if paid directly to us on your behalf) when viewing the balance.

If you would like a statement at any time, you can request this from the registered office, free of charge.

It is important that you keep receipts for any payments, for example made at your local post office using PayPoint, so that you can check these against your statement and produce them if there is a query on your account.

## **Will my rent and/or service charge change?**

Your rent and/or service charge will not normally change for the first year of you being with us, except if there is a rent and/or service review due within that first year. However, you should note that if you are an existing resident and you transfer to another Sandbourne property, any new rent and/or service charges applicable to that new property will be explained to you before you agree to move.

A review of your rent and service charges will be carried out annually. The actual timing of this will vary between different types of residents/sites.

If we change your rent and/or service charges (whether increased or decreased), we will write to you at least 28 days before you must start paying the new amount. If you pay by Direct Debit, we will adjust that for you and you will also receive a letter from 'allpay' to confirm that this has happened.

## **How do I claim benefits and what are available?**

Anyone living in rented accommodation who is responsible for paying rent and/or service charges and is on a low income can apply for Housing Benefit or Universal Credit. It may not cover all of your rent and/or service charges as it does not cover any individual heating, electricity, gas, water or support charges; it only covers the cost to communal areas.

Your annual rent and/or service charges review letter will normally tell you how much of your service charges is eligible or ineligible for benefit and we can also provide you with a schedule showing the breakdown of your service charges on request.

You should contact your local council to find out more about what benefits you could be entitled to and the council or Department for Work and Pensions [for Universal Credit (UC)] will write and let you know if you are eligible. Please don't delay in completing any paperwork as they will not normally back-date a claim.

Besides Housing Benefit and Universal Credit, other benefits you may be entitled to are, for example, Pension Credit, Carer's Allowance, Child Tax Credit, etc. The Citizens' Advice Bureau can also offer advice on what might be available.

## **If I receive benefits, how will they know that my rent and/or service charges have changed?**

If your circumstances change, you must tell the council immediately, otherwise you could face a bill for any benefit



overpayment. Any overpayment made to us by Housing Benefit or Universal Credit may be recovered by them and, if so, will be added to the amount of rent you owe us if you have that benefit paid directly to us.

Although we will notify Housing Benefit of annual changes to rent and/or service charges, it is ultimately your responsibility to let them, or Universal Credit, know of any changes to your income or the rent and/or service charges you pay. You will need to take your rent and/or service charges change letter with you if you go to see them.

## **What happens if I die?**

If you die, your Housing Benefit and/or other benefits will normally cease on that day, although your tenancy obligations, including rent and/or service charges, will continue with your next-of-kin until the tenancy is ended by them. Failure to notify any benefit agencies could result in them claiming back any overpayments.

Please see our leaflet 'Moving On (Ending your Tenancy)' or contact us for more information.

## **What if I pay my rent and/or service charge late or have financial difficulties?**

You should contact us immediately and let us know, in advance, that this will happen. We can then discuss options with you and/or point you in the direction of any help that might be available to you in the way of benefits.

You are breaking the conditions of any tenancy agreement, lease or licence you have with us if you are late paying your rent and/or service charges or fail to pay completely.

## **What is meant by ‘rent arrears’?**

If you are in ‘rent arrears’ [a term we use for unpaid rent (including service charges)] it means that you have not paid your rent and/or service charges to us on time, in accordance with your contract with us (your tenancy agreement or lease or arrangement). If you do not pay your rent, Sandbourne could seek a Possession Order in the County Court which could result in you losing your home. It is always better to pay off a small amount of what you owe regularly with your normal rent and/or service charge, in agreement with us, than to pay nothing.

If you receive a quarterly rent statement from us showing that you are in arrears, please check the date of the last entry and whether you have made any payments since that date or if any benefits are due around that time (if paid directly to us on your behalf). If it is a timing issue, and you are paying four weeks’ or a month in advance, you need not worry. However, if that is not the case, you should contact us immediately to discuss this.

## **What can I do if my rent and/or services charges are in arrears?**

We do understand that anyone can have money troubles from time to time and we will do our best to take your circumstances into account. We can also give you details of someone who can give you advice or you can get independent advice from the Citizens’ Advice Bureau, etc.

If you have checked the timing of payments on your rent statement and it is clear that you are in arrears, or know that you cannot pay your rent and/or service charges, you should contact us straight away. You should also contact us if you have made, for example, a Housing Benefit or Universal Credit claim and payment has been delayed.

You should communicate with Sandbourne and not assume that we know the details of your circumstances. Your claim for Housing Benefit or Universal Credit is private to you and we will normally only be told what payments we are due to receive from them if this is paid directly to us on your behalf.

We will discuss options with you if you cannot pay the full amount you owe and we may make an arrangement whereby you pay off the arrear gradually (a payment plan).

We will advise you, if you are on low income and have not applied for Housing Benefit or Universal Credit, that you should apply immediately. Housing Benefit will only be paid from the date they receive an application. In some circumstances we may also agree for Housing Benefit to be paid directly to us to ensure it goes towards paying your rent.

## **What if I am in arrears because of my Housing Benefit or Universal Credit being delayed?**

You are responsible for claiming your Housing Benefit or Universal Credit. If it has not been paid, we can still take legal action against you if you are in arrears. You should contact the local council or Department for Work and Pensions (DWP) immediately and you should also contact us to explain the situation.

You are contractually responsible for ensuring your rent is paid. It does not matter if you are expecting any benefits, etc, it is still your responsibility to pay your rent for your home. If you do not pay your rent on time, your tenancy may be at serious risk.

It is important, therefore, that you take action immediately and get in touch with us to seek help and advice to avoid losing your home.

**Please also see our policies on:**

- Housing Income Recovery
- Rent and Service Charge Setting

## **Need more information?**

You can write to us at our registered office:

Beech House, 28-30 Wimborne Road, Poole, BH15 2BU

Email: [info@sandbourne.org.uk](mailto:info@sandbourne.org.uk)

Website: [www.sandbournehousingassociation.org.uk](http://www.sandbournehousingassociation.org.uk)

Telephone us on: 01202 671222

Please note that telephone calls to the registered office number above may be recorded for information and training purposes.

In addition, we do have a range of other leaflets on specific topics, available on our website or upon request from our office.

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