

# Your Guide to Rent and Service Charges

*February 2019*

A photograph of a three-story brick building with a central bay window. The building has a red brick facade and a green roof. The bay window is a prominent feature, extending from the ground floor to the top floor. There are several other windows on the building, some with white curtains. The sky is blue with some clouds. A green vertical line is on the left side of the page.

If you need assistance understanding the information  
in this document, please contact us on **0300 365 1111**.



# 01

## Welcome

This guide has been created to provide social housing customers with information about rent and service charges paid to One Vision Housing.

If you have a different type of rent – market rent, affordable rent, intermediate or shared ownership rent – see page 15.

## 02

## Understanding social rent

### What your rent pays for

Your rent covers the cost of managing, repairing and improving your home.

### How is social rent calculated?

Your rent is reviewed and set from April each year and is calculated using a single government formula. The formula sets a target rent level for each property based on the value of the property, the number of bedrooms and local earnings. This ensures that your rent is affordable.

If you are under-occupying your property and in receipt of benefits, you may be responsible for paying the Under-occupation charge (Bedroom Tax).

### Changes to your rent

Any changes will be applied from the first Monday of April each year. We will notify you of any changes to your rent in writing, providing at least one calendar month's notice.

Most rents should reduce by 1% per annum until 2020. This applies in the majority of cases, but specifically excludes specialist supported accommodation\*.

*\*If you live in specialist supported accommodation and/or receive additional services which are covered by a separate service charge, your rent may go up during this period.*

### Paying your rent

Social rent is payable weekly in advance, in accordance with your tenancy agreement.

If you pay your rent over 48 weeks, the remaining weeks are known as non-payment weeks. These weeks will usually be the last week in March, the first week in April and the weeks in which Christmas/New Year falls.

**Non-payment weeks only apply to customers whose rent account is clear or in credit. If your account is in arrears, you must continue to make your rent payments during these weeks.**

In addition to your rent, you may be required to pay a service charge. Further details of these charges can be found on page 7.



*Find details of different payment methods on page 13.*



# 03

## Understanding service charges

### What is a service charge?

A service charge is your contribution towards the costs of additional services which are beyond the benefit of occupying your home.

Service charges can include the provision of security (including door entry and CCTV), cleaning, heating and lighting in communal areas, as well as grounds maintenance and other services.

Details of your service charges will be confirmed to you annually in your rent and service charge notification letter.

Service charges must be reasonable and the services provided must be carried out to a reasonable standard. You will only be charged a service charge if your home benefits from the service.

If you are required to pay a service charge, your tenancy agreement will summarise how we will consult with you and notify you of any changes in services and/or costs.

### Calculating service charges

The service charges you pay depend on where you live, the actual cost of the services that you receive, and whether your tenancy agreement is fixed or variable (see explanation of fixed and variable service charges on page 8).

Each year we assess how much we expect to spend on providing services to your property. This is based on an estimate of costs and it includes inflation and reflects the costs charged by our contractors.

These costs are then apportioned (divided) by either:

- *those customers who receive the service, or*
- *the number of properties in each block of flats, or*
- *the number of properties within each specialist/specified accommodation unit.*

We regularly review our service costs to ensure that they deliver value for money, and to ensure that our charges remain as accurate as possible.

### Fixed and variable service charges

Your tenancy agreement confirms whether your service charge is fixed or variable.

**The difference between the two types of service charge is summarised here:**

#### Fixed Service Charge

This charge is fixed at the start of the year, based on an estimate of the service cost.

If the actual cost of the service at the end of the year is higher or lower than the estimate, the charge cannot be changed. However, the charge may be changed the following year to ensure that the full cost of the service is recovered from customers.

#### Variable Service Charge

This charge can vary and is set at the start of the year, based on an estimate of the service cost.

Unlike a fixed service charge, if the cost of the service increases or decreases, the charge can be changed accordingly to ensure that customers pay the true cost of the service. In these cases, surpluses/deficits will be dealt with in accordance with your tenancy agreement.

#### What is depreciation?

Depreciation is a method used to recover high value service costs over the assessed life of an item. By charging depreciation we spread the cost annually to make these services more affordable.

An example would be a door entry system, for which we would spread the cost over its 15 year lifespan and recover one year's contribution per annum until full cost is recovered.

### Will Housing Benefit or Universal Credit help me to meet these costs?

If you are in receipt of Housing Benefit or Universal Credit most service charges will be covered through your benefits.

You are, however, liable to pay for any personal heating or water charges, as these are not covered by Housing Benefit or Universal Credit.



Further information on housing costs is available on **gov.uk**

## How do I know what to pay?

The rent and service charges that you are required to pay will be detailed in your annual rent and service charges notification letter, which you will receive in February each year.

If you are in receipt of benefits we will contact your Local Authority and inform them of any increase or decrease in your rent and service charges.

If you pay by Direct Debit we will also make the arrangements to increase or decrease your regular payment.

If you pay by alternative means, you should continue to pay your rent/ service charges in this way. Find more information about payment methods on page 13.

## Understanding different service charges

Here's the list of all services which can incur service charges. Depending on your tenancy agreement, some (or maybe even all) of these service charges **may** apply to you:



### Communal cleaning may include:

- Cleaning of communal landings/hallways lifts
- Window cleaning (internal/external) as relevant



### Security may include:

- CCTV (cameras and surveillance equipment)
- Control room monitoring of cameras



### Furniture packages include:

- Provision of furniture



### Door entry includes:

- Security doors (depreciation and annual maintenance) and access control equipment (door fob/keys)



### Digital aerial includes:

- Provision of a communal aerial and/or other equipment to receive digital TV (depreciation and annual maintenance)



### Compliance may include:

- Legionella
- General health and safety
- Fire safety/alarms
- Emergency lighting/ Portable Appliance Testing (PAT)
- Lift maintenance



### Lifeline charges include:

- Provision of lifeline equipment/pendant (depreciation and maintenance)



### Communal utilities may include:

- Communal electricity
- Communal gas
- Communal water
- Communal lighting
- Communal phones



### Management charge includes:

- The administration costs incurred when organising and managing these additional services



### Careline charges include:

- Call monitoring

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## Payment methods



### Retirement housing scheme facilities may include:

- Provision and running cost of communal lounge\*
- Provision and running cost of kitchen, laundry and salon facilities\*
- Depreciation and maintenance of communal furniture and equipment



### Independent Living Officer includes:

- Provision of staff time to support Independent Living services



### Agency managed services include:

- Provision of specialist support services by an external agency.



### Personal charges include:

Personal heating/water  
*(You are liable to pay any personal heating or water charges, as these are not covered by Housing Benefit or Universal Credit)*



### Buildings insurance includes:

- The cost of insuring your home (bricks and mortar only) if you are a leaseholder or shared owner



### Estate management may include:

- Landscaping
- Grounds maintenance and tree management
- Sewerage
- Signage

For your convenience, you can choose from a variety of payment methods:

### Paying online

If you have a debit/credit card, you can pay online at any time with our My Account service. Register or sign in at [ovh.org.uk/my-account](https://ovh.org.uk/my-account)

### Direct Debit

If you have a bank account you can set up a Direct Debit for hassle-free payments. Please call **0300 365 1111** for more details. It's the quickest and most convenient way to pay.

### Post Office or PayPoint/ Payzone outlets

You can pay by cash or debit/credit card at the Post Office or at retail outlets displaying the Payzone or PayPoint sign.

### Paying by telephone

If you have a debit/credit card you can pay your rent/service charges from the comfort of your home. Just call **0300 365 1111**.



More information about paying your rent/service charges can be found on our website [ovh.org.uk](https://ovh.org.uk)

### Failure to pay rent

If you fail to pay your rent and service charges when given reasonable requests to do so, it will be classed as a breach of your tenancy agreement and we will take enforcement action in accordance with our rent payment and arrears recovery policy.

If you're struggling with payments, contact us so we can help.



**Your home is at risk if you fail to pay.**

*You can find budgeting tips and a directory of local services that provide money advice at our OVH Help Hub [thehelphub.ovh.org.uk](https://thehelphub.ovh.org.uk)*

### Statutory consultation and rights to appeal

If you have a dispute about your rent or service charge, we would encourage you to contact us directly to see if we can resolve the issue. If you are still dissatisfied you may appeal to the First Tier Tribunal Property Chamber (Residential Property) for a determination.

We will consult with you regarding service charges in accordance with the terms of your tenancy agreement. For those customers whose tenancy agreement confirms variable services charges, we will comply with the consultation requirements set out in section 20 of the Landlord and Tenant Act 1985 as relevant.

# 05

## Other rent types

One Vision Housing offers a variety of rental options (not just social rent). The type of rent which applies to you was agreed at the start of your tenancy (and will be stated in your tenancy agreement).

**Here's an explanation of other rent types and how they're calculated:**

### Market rent

Market rent and associated service charges are reviewed on an annual basis, based on the residential lettings estimate for a property, which considers property size, condition and location.

Rent valuations are independently assessed in accordance with the Royal Institute of Chartered Surveyors. OVH is able to increase or decrease market rents, to reflect market conditions and demand.

### Affordable rent

Affordable rent is set annually, at no more than 80% of the market rent value (inclusive of service charges) at the time the property was first let.

Where an affordable rent is valued above the Local Housing Allowance (LHA) rate and where local market conditions demonstrate demand, we reserve the right to set the rent above the LHA rate.

Like social rent, affordable rents will reduce by 1% per annum until 2020.

### Intermediate rent

Intermediate rent and associated service charges are reviewed on an annual basis, based on 80% of the average gross market rent.

### Fair rent

Those who have a secure tenancy (pre 15 January 1989) are likely to be paying a fair rent, which is set and registered every two years by the Valuation Office Agency (VOA). Once the rent is registered, this is the maximum amount that we can charge until it's reviewed or cancelled.

From 2016 to April 2019 we will review rents annually, and if applicable, we will reduce your rent by 1% per annum.

### Shared ownership rent

Details of how your shared ownership rent is calculated are included in your lease.

Initial rents are set at no more than 2.75% of the value of the unsold equity (and will not exceed 3% of the capital value of the unsold equity at the point of sale).

Annual increases to rent will be limited to the Retail Price Index (RPI) figure plus 0.5%. If RPI is nil or negative the maximum rent increase will be limited to 0.5%.

### Rent to buy

Rent to Buy homes are let at the Intermediate Rent rate – see page 15 for details.

Rents are increased annually, with the maximum increase set at Consumer Price Index (taken as at September of the previous year) plus 1%.

### Need more information?

If you have any further questions relating to your rent or service charges which are not answered in this guide, please do not hesitate to contact us.



0300 365 1111



[enquiries@ovh.org.uk](mailto:enquiries@ovh.org.uk)

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## Help us improve

Your knowledge and understanding of the issues affecting you and your neighbours is invaluable to us; ensuring that we focus our attention and efforts on the things that matter most.

Send us your feedback and suggestions by emailing [feedback@ovh.org.uk](mailto:feedback@ovh.org.uk).

### Become an Involved Customer

You can get involved as little or as much as you like, with our range of involvement options. To find out more contact the Customer Empowerment Team on **0300 365 1111** or email [enquiries@ovh.org.uk](mailto:enquiries@ovh.org.uk)

If you have any other questions please call **0300 365 1111** or visit our website [ovh.org.uk](http://ovh.org.uk)



# Get in touch

 [ovh.org.uk/my-account](http://ovh.org.uk/my-account)  
*Make payments, report (and book) repairs and view accounts online with My Account*

 [ovh.org.uk](http://ovh.org.uk)

 0300 365 1111 (24hr)

 [enquiries@ovh.org.uk](mailto:enquiries@ovh.org.uk)

 [@ovhousing](https://twitter.com/ovhousing)

 [facebook.com/ovhousing](https://facebook.com/ovhousing)

### Customer Access Centre

Coral Drive, Bootle,  
Merseyside L20 3UG

**Open:** Mon to Fri, 9am to 5pm

### OVH Head Office

Atlantic House,  
Dunnings Bridge Road, Bootle,  
Merseyside L30 4TH

**Open:** Mon to Fri, 8.30am to 5pm



One Vision Housing is part of The Sovini Group

*The information inside is correct at time of print.  
For the most up to date information please visit our website.*



If you need assistance understanding the information in this document, please contact us on **0300 365 1111**.

### **Chinese**

如果您需要幫助了解本文檔中的信息，請致電 **0300 365 1111** 與我們聯繫。

### **Lithuanian**

Jei norite, kad Jums kas nors padėtų suprasti šiame dokumente pateiktą informaciją, prašome su mumis susisiekti tel **0300 365 1111**.

### **Polish**

Jeśli potrzebujesz pomocy, by zrozumieć informacje zawarte w tym dokumencie, skontaktuj się z nami pod numerem **0300 365 1111**.

### **Portuguese**

Caso necessite de assistência para compreender a informação constante neste documento, deverá contactar-nos através do **0300 365 1111**.

### **Russian**

Если вам требуется разъяснение информации, содержащейся в данном документе, пожалуйста, свяжитесь с нами по телефону **0300 365 1111**.

### **Turkish**

Bu belgede verilen bilgileri anlama konusunda desteğe ihtiyacınız olursa lütfen bize ulaşın **0300 365 1111**.