

Your rent and service charges explained

This leaflet explains how the government changed the way in which all councils set their rents and how Ealing Council responded to this when setting rents for Ealing Council owned properties.

How is rent set?

The government introduced a new system where all social housing organisations in England set their rents in the same way based on a single 'formula rent'.

Under this scheme, a target or formula is calculated for each property in line with government policy on the level of rents. The formula rent is calculated based on manual earnings (70%) and the value of the property (30%) modified to reflect a higher rent for larger homes. Actual rents will move gradually towards the formula rent over the 10-year rent-restructuring period.

The objectives of restructuring rents are:

- Social housing rents should remain affordable and well below those in the private sector
- Unjustifiable differences between the rents set by local authorities and housing associations should be eliminated
- Closer links between rents and property values should be established
- Social rents should be made fairer and less confusing to tenants.

The changes

Ealing Council introduced the rent restructuring formula to set your rent in April 2002.

What will happen to my rent using this calculation?

The higher your home's value, the more bedrooms you have, and the higher local earnings are, the higher your rent will be. The opposite is also true. Whether your rent goes up or down depends on what your rent is now.

What does the rent pay for?

The rent we receive is one of the main forms of income available to the organisation. We try to ensure that our homes are affordable and make sure the rent covers the following:

- Repairs, maintenance and insurance of homes
- Repair and maintenance of communal areas
- Decoration of communal areas
- Interior decoration (where the council is responsible)
- Management costs, for example, the cost of delivering the housing management service
- Lifts (if you live above the first floor) as these are essential to high rise flats.

Has Ealing Council separated service charges from rent charges?

Yes, Ealing Council separated service charges from the rent charges in the financial year 2003-04. These charges are set to cover the costs of providing various services such as:

- Concierge and security
- Grounds maintenance
- Refuse collection (in addition to the weekly service)
- Caretaking and cleaning (communal areas including lifts, stairs, internal windows)
- Communal lighting.

Why should I pay service charges?

Previously the cost of providing services has been covered by tenants' basic rent payments. This means that everyone has paid it along with the rent. We have decided to separate the cost of services from the basic rent for the following reasons:

- having a separate service charge makes us more accountable for the services we provide
- we will be able to compare our rents more accurately with other housing providers.

Does the service charge increase the rent I have to pay?

The introduction of service charges will not result in large increases in rent because the total increase in rent is controlled or capped by central government.

Is the service charge eligible for housing benefit?

Separating rent from service charges does not affect any entitlement you may have to housing benefit. The separate service charge is still eligible for housing benefit so you should still be entitled to help as long as your circumstances stay the same.

Will I have to pay any other charges?

If you currently pay for heating and water rate charges, these will continue to be charged separately. These types of charges are not covered by housing benefit.

What happens if I do not pay my rent?

Rents are the main source of income we get for maintaining and managing your home. We cannot allow rent arrears to build up. We will try to help you if you are experiencing difficulties and you can seek independent advice from a debt advice service or the Citizens Advice Bureau. You will not be able to keep your home if you do not pay your rent. If you regularly fail to pay, we may obtain a court order to evict you. We will pursue former tenants for money owed.

I am having trouble paying my rent. What should I do?

If you have trouble with paying your rent, you may be able to claim help through housing benefit. Get in touch with the Housing Benefits

Service for advice on claiming benefits. If you do experience problems, contact your housing officer immediately before you start getting behind with your payments.

Who can I contact if I want more details on how my rent and service charges are set?

If you have any queries or require an explanation of your rent and service charges, you can contact us using the following methods:

Write to:

Central Rents Team
Regeneration and Housing
Perceval House
14-16 Uxbridge Road
Ealing
London W5 2HL

Tel: 020 8825 9534

Email: rents&servicecharges@ealing.gov.uk

Ways to pay your rent

Direct Debit: phone 020 8825 9534 to request a form

In person: by swipecard at the Post Office, PayPoint, Payzone or e-Pay

By phone: 020 8825 9534

Standing order: contact your housing officer

Online: visit www.ealing.gov.uk

By post: make the cheque payable to 'London Borough of Ealing' and write your name, address and tenancy reference number on the back.

Post the cheque to:
Central Rents Team
Regeneration and Housing
Perceval House
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Ealing
London W5 2HL