

The Social Landlords Mandatory Reduction of Service Charges (England) Directions 2014

The Secretary of State for Communities and Local Government makes the following Directions in exercise of the powers conferred by sections 219 and 220 of the Housing Act 1996.

Citation, commencement and application

1.—(1) These Directions may be cited as the Social Landlords Mandatory Reduction of Service Charges (England) Directions 2014 and come into force on 12 August 2014.

(2) These Directions apply to social landlords making a service charge which is—

- (a) payable by a lessee in respect of a dwelling in England, and
- (b) for the costs of repair, maintenance or improvement undertaken wholly or partly with relevant assistance from a programme specified in these Directions,

in a case where an application for assistance from a programme is made on or after the date these Directions come into force.

Interpretation

2. In these Directions—

“London authorities” means—

- (i) a London borough council; and
- (ii) the Common Council of the City of London;

“programme” means the programmes set out in the Schedule;

“qualifying lessee” means a tenant who is an individual and occupies the dwelling as his or her only or principal home;

“relevant assistance” means that part of a grant or other financial assistance of any kind from any programme which is used for the costs of works of repair, maintenance or improvement;

“the relevant date” is the date on which the works undertaken wholly or partly with relevant assistance commence;

and other terms used in these Directions have the same meaning as set out in sections 219 and 220 of the Housing Act 1996.

Mandatory reduction of service charges

3.—(1) Subject to the following provisions of this paragraph, where—

- (a) a social landlord makes service charges in respect of the costs of repair, maintenance or improvement which have been or are to be undertaken wholly or partly with relevant assistance; and
- (b) such service charges and any services charges which the social landlord proposes subsequently to make for costs incurred in respect of such works in any period of five years exceed a total sum (“the total sum”) of—
 - (i) £15 000 for a dwelling situated within a London authority; and
 - (ii) £10 000 for a dwelling not situated within a London authority;

a social landlord must reduce such charges in that period of five years to the total sum.

(2) Subject to sub-paragraph (3), where the maximum service charge to be made in respect of the same dwelling in any period of five years for the costs of works of repair, maintenance or improvement undertaken wholly or in part with relevant assistance is—

- (a) specified in an application for assistance from a programme as a sum below—
 - (i) £15 000 for dwellings situated within a London authority; and
 - (ii) £10 000 for dwellings not situated within a London authority;
- (b) the application is approved; and
- (c) the Secretary of State agrees that the maximum service charge will be the sum specified in the application or such other sum below—
 - (i) £15 000 for dwellings situated within a London authority; and
 - (ii) £10 000 for dwellings not situated within a London authority;

the social landlord must reduce any service charge so that it does not exceed the agreed amount.

(3) Sub-paragraphs (1) and (2) only apply in respect of a service charge which is payable by a lessee who is a qualifying lessee of the dwelling on the relevant date.

Signed



Paul Downie

Deputy Director

For and on behalf of the Secretary of State for Communities and Local Government

Date

11 August 2014

SCHEDULE

Programmes

Programme means—

- (a) the Decent Homes Backlog Funding provided through the 2013 Spending Round; and
- (b) any other assistance for the specific purpose of carrying out works of repair, maintenance or improvement provided by—
 - (i) any Secretary of State ; or
 - (ii) the Homes and Communities Agency.