

SERVICE CHARGE POLICY STATEMENT



Title	<i>Service Charge Policy</i>
Author	Finance Director - EMH
Date approved	9 June 2008
Review Date	December 2009

Three Oaks Homes

SECTION 1 – POLICY OBJECTIVES		Cross Reference/ Notes	
1.1	It is the policy of the Association to ensure that it operates Service Charges within the current framework of the law and Good Practice Guide.		
1.2	Service charges are set in a consistent and comparable manner across the Association, in line with this policy, and will be subject to a minimum of an annual review.		
1.3	Provision of Service Charges will take account of Three Oaks Homes responsibility to maintain communal areas to satisfactory standards, regulatory Health and Safety requirements, and tenant’s aspirations and views.		
1.4	Where the Association fails to provide the quality of work charged for under Service Charges this will be dealt with through the Associations Complaints Policy.		
1.5	The Service Charge policy is only applicable to the rented properties. The Service Charge arrangements for leaseholders are contained within a separate policy.		Leaseholder Policy
1.6	The Service Charge policy will be consistent with promises made to transferring tenants in the Formal Offer Document.		

SECTION 2 – SCOPE OF SERVICES		Cross Reference/ Notes
2.1	The Service Charge will cover the cost of providing and maintaining any services and benefits provided for the tenant that are in addition to the benefit of occupying their own home.	
2.2	<p>Services will vary according to individual properties but could include the following:</p> <ul style="list-style-type: none"> ➤ Heating, lighting, cleaning and furnishing of communal areas ➤ Provision of fire alarms ➤ Laundry services ➤ CCTV servicing ➤ Grounds Maintenance and landscaping 	

Three Oaks Homes

	SECTION 2 – SCOPE OF SERVICES	Cross Reference/ Notes
2.3	<ul style="list-style-type: none"> ➤ Services provided by the Housing Support Officer ➤ An administration charge <p>The scope of the services provided will be decided in consultation with tenants.</p>	

	SECTION 3 – CALCULATION OF SERVICE CHARGES	Cross Reference/ Notes
3.1	The Service Charges for Three Oaks Homes are variable as stated in the tenancy agreement. Therefore the actual costs of providing the service will be passed on to the tenants.	
3.2	To achieve this an estimated service charge will be calculated each year and notified to tenants along with the annual rent increase. Following the end of the year the Association will calculate how much has actually been spent on the provision of services. If actual costs are less than anticipated a refund will be paid to tenants. If costs exceed the amount anticipated an additional charge will be raised.	Rent setting policy.
3.3	Three Oaks Homes will aim to maintain Service Charges that are affordable to people on a low income and to comply with expectations of the Housing Corporation in limiting increases in Service Charges to RPI plus 0.5%. However as the tenancy agreement requires Service Charges to be variable this may not always be possible as actual costs may increase by more than RPI plus 0.5%.	
3.4	Service charges will not be calculated for individual properties but will be set at a scheme or estate level. Each scheme or estate will be grouped together according to geographic location or service provided. Under normal circumstances all properties within an individual scheme or estate will receive all services.	

	SECTION 4 – CHARGES TO EXISTING TENANTS	Cross Reference/ Notes

Three Oaks Homes

SECTION 4 – CHARGES TO EXISTING TENANTS		Cross Reference/ Notes
4.1	The initial Service Charge for existing tenants will be the amount included within the amenity charge previously payable to Blaby District Council.	
4.2	During the first year of operation Three Oaks Homes will consult with existing tenants over the process of revising the service charge to include any services that are currently included within the rent. This process is known as “de-pooling”. If tenants agree to this process then any increase in the Service Charge would be accompanied by a corresponding reduction in the rent.	
SECTION 5 – NEW TENANTS		Cross Reference/ Notes
5.1	The tenancy agreement for new tenants will require a variable service charge.	
5.2	From the commencement of the tenancy, the Service Charge for new tenants will include the costs off all services provided under the tenancy.	
SECTION 6 – MONITORING AND REVIEW		Cross Reference/ Notes
6.1	This policy will be reviewed annually to ensure that it complies with relevant, up-to-date legislation and continues to promote good practice.	
6.2	As part of this review, the policy will be passed to Board of Management for approval.	