



SERVICE CHARGES POLICY

1.0 INTRODUCTION

- 1.1 This policy describes the service charges Almond Housing Association Limited (AHA Ltd.) will levy and how these will be calculated. The policy is supported by detailed procedures.
- 1.2 AHA Ltd. will only make a service charge where it is necessary to do so, i.e. where the cost of the item or service is not covered by the rent. Examples of where a service charge may be required include (see Appendix 1 for current list):
- where a development has communal grassed areas which require to be cut, or internal common areas which require to be maintained;
 - where AHA Ltd. provides a service which would normally be the tenant's responsibility, e.g. stair cleaning;
 - where the maintenance costs and/or depreciation costs of communal equipment such as door entry systems or other shared systems are not included in the rent;
 - where metered electricity consumption for shared services such as internal stair lighting is not billed directly to residents in a block.
- 1.3 AHA Ltd. will aim to ensure that all service charges represent value for money and that they are based on high standards and current good practice.

2.0 RESPONSIBILITIES

2.1 Board of Management

- To ensure there is in place a Service Charges policy complying with current regulations, guidance and good practice, and meeting AHA Ltd.'s needs.
- To monitor compliance with the policy and deal with any matters that require a Board decision.

2.2 Management

- Head of Housing Management: To manage the implementation of the policy on a day-to-day basis, advising the Board of Management, other Heads of Section and all employees as required on specific matters, and in association with the Head of Finance to recommend the annual level of service charges for Board approval.
- Head of Finance: To ensure that Finance staff are aware of the policy, that relevant finance systems accurately record current service charges and income due from tenants and factored owners, and in association with the Head of Housing Management to recommend the annual level of service charges for Board approval.

2.3 Employees

- To ensure they have read and understood the policy and procedures, and to implement them as required in the course of their work.

3.0 NEW DEVELOPMENTS

- 3.1 In planning new developments AHA Ltd. will aim to minimise the creation of unnecessary shared external areas for which service charges will be required.
- 3.2 Where shared external and internal communal areas have to be provided, AHA Ltd. will aim to maintain such areas to high environmental and amenity standards.

4.0 SERVICE CHARGE CONTRACTS

- 4.1 To ensure that AHA Ltd. obtains value for money we will regularly seek new tenders, or where appropriate renegotiate revised contracts or enter into partnering arrangements, for communal items such as landscaping and stair cleaning,

5.0 CALCULATING & NOTIFYING SERVICE CHARGES

- 5.1 Service charges will be based on the actual cost of the service, plus a charge to cover our administrative costs in providing it (currently 10% of the cost of the service).
- 5.2 The cost of providing a service apportioned to AHA Ltd. owned property will be split equally between all the tenants receiving that service.

Where a service is also provided to owners receiving a factoring service, the costs will be shared by the owners according to the provisions in their title deeds.

- 5.3 Service charges will be reviewed annually, at the same time as rents are reviewed, and any revisions approved will be applied, along with the new rents or factoring charges, from the beginning of April each year.
- 5.4 AHA Ltd. will provide existing tenants with a schedule of their service charges as part of the annual letter detailing their new rents. AHA Ltd. will provide factored owners with an annual statement of their service charges for the next year, normally before the start of each financial year.
- 5.5 In the offer letter to an applicant AHA Ltd. will clearly detail the costs of any service charges applicable to the property, in addition to the rent. This information will also be stated in the Tenancy Agreement. Where we are advised of the sale of a factored property AHA Ltd. will provide the new owner with details of the current service charges.

6.0 COMMENTS AND COMPLAINTS

- 6.1 AHA Ltd. will respond to queries raised by applicants, tenants or factored owners regarding their service charges within 7 working days, where a reply can be made based on the information currently held in our files.

- 6.2 If a query cannot be dealt with from the information we hold, AHA Ltd. will acknowledge receipt of the query within 3 working days, request the relevant information from external parties such as contractors, and respond to the query as soon as all the required information is available.
- 6.3 AHA Ltd. will respond to and deal with complaints about service charges in accordance with our Complaints policy and procedures.
- 6.4 If a complainant remains dissatisfied with our response, including any response following an appeal, they may take the matter up with the Scottish Public Services Ombudsman or, in the case of a factored owner, with the First Tier Tribunal for Scotland – Housing Property Chamber.*

7.0 REVIEW

- 7.1 The Head of Housing Management will ensure that this policy is reviewed by the Board of Management at least every five years, and that Appendix 1 listing current service charges is updated as required in-between formal reviews.

FIRST APPROVED IN	OCTOBER 2002
CURRENT VERSION 3.0 APPROVED IN	JUNE 2017
NEXT REVIEW DUE BY	JUNE 2022

*On 1 December 2016 the Tribunal took over the functions of the Homeowner Housing Panel, which was set up under the Property Factors (Scotland) Act 2011.

APPENDIX 1**CURRENT SERVICES FOR WHICH A SEPARATE CHARGE IS MADE**

ITEM	COSTS SPLIT BETWEEN
a) Stair Cleaning	Craigshill, Ladywell, Eliburn & Carmondean tenants & owners (common entry blocks)
b) Electricity consumption: - door entry systems & stair lighting	Craigshill, Howden, Ladywell, Eliburn & Carmondean tenants & owners (common entry blocks)
c) Communal aerials	Craigshill, Eliburn & Carmondean tenants & owners (common entry blocks & own access)
d) HMO annual licence & costs involved in carrying out fire risk assessments and providing/maintaining fire-fighting equipment	Tenants of Housing in Multiple Occupation (HMOs)
e) Landscaping	Factored owners, where applicable (Tenant costs are included in rent)
f) Buildings insurance	Factored owners (Tenant costs are included in rent)