



## 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 metered and unmetered supply 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

- Director of Housing Management: To manage the implementation of the policy on a day-to-day basis, advising the Board of Management, other Directors of Section and all employees as required on specific matters, and in association with the Director of Finance and Business Support to recommend the annual level of service charges to ensure equalisation.
- Director of Finance and Business Support: 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 Director of Housing Management.
- Operational Managers: To ensure the procedures supporting this policy are carried out and that operational management of the processes are monitored including

performance. To ensure any changes to services provided are costed during the annual review process, and to monitor costs incurred against amounts budgeted.

## 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.

## 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 using our service standards for response times.

- 6.2 If a query cannot be dealt with from the information we hold, AHA Ltd. will acknowledge receipt of the query within our service standards, 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 Director of Housing Management will ensure that this policy is reviewed by the Senior Management Team at least every five years, and that Appendix 1 listing current service charges is updated as required in-between formal reviews.

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| <b>FIRST APPROVED IN</b>               | <b>OCTOBER 2002</b>  |
| <b>CURRENT VERSION 5.0 APPROVED IN</b> | <b>DECEMBER 2022</b> |
| <b>NEXT REVIEW DUE BY</b>              | <b>DECEMBER 2027</b> |

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

| <b>ITEM</b>  | <b>COSTS SPLIT BETWEEN</b>   |
|--|--|
| a) Stair Cleaning  | Craigshill, Ladywell, Eliburn, Deans & Carmondean tenants & owners (common entry blocks)         |
| b) Electricity consumption:<br>- door entry systems & stair lighting   | Craigshill, Howden, Ladywell, Eliburn, Deans & Carmondean tenants & owners (common entry blocks) |
| c) Communal aerials  | Craigshill, Eliburn, Deans & 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)  |