



Cloch Housing Association

Service Charge Setting Policy

Policy Name	Service Charge Setting
Policy Category	HM
Policy Number	035
Date Adopted	21/01/2015
Last Review	21/01/2019
This Review	01/02/2022
Next Review	01/02/2025
Equalities Impact Assessment Required	Not Required
Link to other policies	
Consultation	Internal & External (Tenants/Website) as part of annual rent and service charge increase consultation
Need for Procedure	No

1. Introduction & Aims

1.1 In many cases, Cloch provides additional services to those included in the standard Housing Management and Maintenance service. Where required, these services are paid for by additional service charges.

1.2 Cloch aims to:

- provide effective, value for money services to our tenants which are priced to recover costs in a fair and accountable way;
- involve customers in setting and reviewing service charges;
- tender services where appropriate to ensure value for money;
- ensure that service charges are affordable.

1.3 We aim to recover the costs of providing identified services to tenants or sharing owners in full. Costs currently incurred include: -

- Common close cleaning;
- Services Associated with the provision of Supported Housing;
- Community Alarm servicing, monitoring and maintenance;
- Lift servicing & maintenance contracts;
- Provision of furniture in general needs and supported tenancies;
- Fire system, extinguisher servicing and maintenance contracts;
- Stair lifts in wheelchair adapted properties, servicing and maintenance contracts.

2. Setting the Service Charge

2.1 Service charges are based on the actual costs, or projected costs, for services provided at each development/property. Therefore, the level of service charge applied can vary between developments/properties.

- 2.2 Service charges are set each year by identifying what the actual costs for the coming year will be, taking into account any surplus/deficit carried forward from the previous year. Where we cannot yet determine the actual costs, service charge costs will be based on historical costs, then adding to this inflation and any changes in costs or services. We also add an administration fee of 5% to the cost.
- 2.3 Costs will be calculated by totalling the estimated costs of the service attributable to tenanted, owner occupied or shared ownership property including the administration fee and divided by the number of occupants in receipt of that service, by development/property. Where individuals do not receive a service, they will not incur any service charge.
- 2.4 As service charges are based on actual costs, charges can go down as well as up, for example where we have been able to make savings.
- 2.5 Service charges will be set in January of each year for the next financial year based on estimated future costs. The new charges will be implemented from the start of the financial year at the time of the annual rent increase.
- 2.6 Any changes to the cost, type or nature of services provided will be the subject of consultation with affected tenants.

3. Service Charges

- 3.1 The following is a list of services for which the Association will charge a service. The list is not exhaustive and services can be added or removed from the list:

- Heating Charge (58 Regent/5 Trafalgar Street);
- Household Electricity Charges;
- Furniture/Laundry Provision & Replacement in Supported Housing Projects;
- Furniture in general needs tenancies (Cloch +);
- Sheltered Housing Common Room Furniture Provision;
- Community Alarm Systems (BR24);
- Lift Maintenance;

- Fire Safety in Supported Housing;
- Administration/Licensing Costs – Supported Housing;
- Common Cleaning;
- Bin Porting/Cleaning;
- Water Hygiene Testing in Supported Housing Projects;
- Emergency Lighting in Supported Housing Projects.

4. Tenancy & Occupancy Agreements

- 4.1 Cloch will advise new tenants and/or sharing owners of any service charge elements within their development and these will be set out within the Tenancy and/or Occupancy Agreement. Service charge items for sharing owners will normally be detailed in their Deed of Conditions.
- 4.2 We will not normally introduce a service charge for a service that is not specified in the Tenancy Agreement unless the tenant, or a majority of tenants in a block following consultation, agrees to this. However, we may do this if the charge is being introduced for necessary housing management reasons, such as introducing close cleaning.

5. Quality of Service

- 5.1 We are committed to providing services to all customers which are of a reasonable standard and offer value for money.
- 5.2 The Association will also consider The Scottish Housing Regulator's Scottish Social Housing Charter Standards 14 and 15 for rent and service charges which state that:

“Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- *a balance is struck between level of services provided, the cost of the services and how far current and prospective tenants and service users can afford them*
- *tenants get clear information on how rents and other money is spent, including details of individual items of expenditure above thresholds agreed between landlords and tenants.”*

5.3 The Association will use the following methods to assess quality of service on an on-going basis.

- i) Annual review of actual cost of service.
- ii) Annual review of actual services carried out.
- iii) Competitive tender of services carried out.
- iv) Ensure Contractors comply with good practice, Health & Safety and Equal Opportunities standards set by the Association.
- v) An annual review of the administration cost of providing the service (where applicable).
- vi) An annual review of the performance of each Contractor carrying out services.

6. Customer Satisfaction

6.1 The Association endeavours to ensure that tenants and sharing owners are satisfied with the outcome of the services provided to them. This will be assessed in the following ways:

- i) Tenant satisfaction survey carried out every 3 years to assess overall satisfaction and value for money
- ii) Tenant Consultation at each Rent and Service Charge review period
- iii) Regular newsletter articles regarding the services and encouraging contact with the Association regarding dissatisfaction
- iv) Review of any complaints received relating to services provided

7. Appeals and Complaints

7.1 Appeals or complaints against our operation of this policy will be processed through the association's complaints handling procedure, which is available at the our office or on our website.

8. Equalities Commitment

- 8.1 Cloch Housing Association is committed to tackling discrimination on the grounds of sex or marital status, racial grounds, or grounds of disability, age, sexual orientation, language, social origin, or of other personal attributes, including beliefs or opinions, such as religious beliefs or political opinions.

- 8.2 Cloch seeks to embrace diversity, promote equal opportunities for all and eliminate any unlawful discrimination in all areas of our work.

9. Policy Availability

- 9.1 This document can also be provided in large print, braille, audio or other non-written format and in a variety of languages, on request.

10. Monitoring and Review

- 10.1 This policy will be reviewed every three years, unless amendment is prompted by a change in legislation, operational requirements or customer feedback. The Policy will be reviewed in consultation with tenants, sharing owners and staff as part of the annual rent and service charge increase consultation process.

- 10.2 Individual service charges will be reviewed annually as part of the Association's rent and service charge increase consultation processes.