

# SERVICE CHARGE POLICY

## 1.0 Introduction

This policy is developed in-line with Imani's aim to move from fixed service charges to variable service charges. The service charge policy sets out how Imani aims to set, collect, consult and revise service charges.

1.1 Service charges are levied for additional services which we provide to tenants in addition to normal landlord services that are not included in the rent.

Services can include those:

Necessary for good housing management;

Provided to the residents after consultation;

Required to meet our legal and regulatory obligations

Which provide value for money The range of services provided may vary dependent on facilities, services and layout of properties and schemes but may include;

- Management administration charges

- Communal lighting and electricity
- Internal and external cleaning
- Grounds maintenance and landscaping
- Maintenance and repair of fire equipment
- Maintenance and repair of lifts
- Communal repairs and door entry systems
- Communal aerial systems
- CCTV monitoring systems
- Water charges for communal areas and facilities
- Personal domestic water charges
- Carpets and furnishing in the communal areas
- Maintenance of unadopted areas including car parking, roads, sewers, drains and foot paths
- Provision of refuse receptacles
- Pest control

## 2.0 Legal Framework

The Homes and Communities Agency, through its Regulatory Code and Guidance, expects that Registered Social Landlords will aim to deliver continuous improvements and value for money in their services. It further expects that Registered Social Landlords will provide their residents with information about their service charges, including costs that their charges cover, how charges are budgeted and increases calculated.

We will provide services on a 'variable service charge' basis, which means compliance with provisions set out in the Landlord and Tenant Acts of both 1985 and 1987 (as amended), which set out the requirements of operating a variable service charge.

2.1 References should also be made to the following legislation:

Section 18-30 of the Landlord and Tenant Act 1985 (as amended)

Housing Benefit (General) Regulations 1987 (as amended)

Housing Act 1988

Housing Act 1996

The Assured Tenancies and Agriculture Occupancies (Forms) (Amendment) (England) Regulation 2003

Service Charge (Consultation Requirements) Regulation 2003

### **3.0 Policy Statement**

3.1 Imani will provide services that meet the needs of our customers, taking into consideration the characteristics of the property and/or scheme and its local environment.

3.2 The service will be set out to residents at the commencement of their tenancy. Following consultation with those affected, details of any changes to the services provided will be notified to those affected within 28 days.

3.3 Service charges will take into account the full cost of service provided, value for money and the provision for maintenance and replacement of equipment used in the supply of services. The association will seek to recharge the actual cost of providing the service, although we reserve the right not to recharge the full costs where the Board have

considered and agreed that there is a sound reason not to do so, such

considerations will include the resident, management and financial impact of each decision and the outcome of any consultation undertaken in relation to the services to which they relate.

3.4 Imani may also create a sinking fund for each scheme to meet anticipated future expenditure as well as unexpected expenditure which cannot be covered by insurance. Where a sinking fund is being used it will be clearly specified by Imani.

3.5 Service charges will be reviewed annually and an increase/decrease notice sent to residents in accordance with the terms of their tenancy agreement. Where an additional service is to be levied or an existing service charge increased by more than the rate of inflation, Imani may (with the approval of the board) provide transitional relief for existing residents.

3.6 Imani will calculate the estimated costs for the forthcoming year on the basis of costs incurred in the previous year, and will provide residents with appropriate accounting details.

3.7 Imani will carry forward a difference between the amount incurred and the amount paid and will certify the difference each year to customers.

## **4.0 Policy Aim**

4.1 Imani will seek to:-

- i. Ensure service charges are sufficient to meet the costs of delivery;
- ii. Ensure services are sufficient to meet need;
- iii. Enable new services, when required to be provided;
- iv. Provide clear information about services delivered;
- v. Enable Imani to maintain it's properties to an appropriate standard;
- vi. Review charges annually using a fair and consistent approach;
- vii. Ensure appropriate consultation takes place with customers

## **5.0 Responsibility**

5.1 It is the responsibility of the Chairperson to ensure that this policy is in place.

5.2 The Finance Officer is responsible for the effective implementation of this policy.

## **6.0 Consultation**

6.1 The services provided will be reviewed in consultation by way of:

- i. Regular discussions with representative groups and the general membership
- ii. Regular discussions with the tenants and members
- iii. Random surveys including questionnaires
- iv. Inviting comments at public meetings
- v. Direct consultation with affected tenants

6.2 All affected residents will be consulted in respect of changes to:

- i. The level of service provided;
- ii. Additional services to be added
- iii. Services to be taken away or reduced (if any)
- iv. Quality of services provided;
- v. The provision of a sinking fund.

6.3 This policy will be reviewed in consultation with residents at least once every two years.

## **7.0 Review and Board Approval**

7.1 This policy will be reviewed at least once every two years taking account of any changes to legislation that may occur.

Person Responsible for the review of this policy:  
Finance Officer

Date of this review: Summer 2013

Date of Board approval: September 2013