



Rochdale
Boroughwide Housing

DRAFT

Service Charges Policy

Delivering Excellent Services –
Building Stronger Communities

Document Control

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SERVICE CHARGES POLICY

1. POLICY OBJECTIVES

- 1.1 The objective of this policy is to set out how RBH will introduce and operate service charges within the current legal framework and reflecting best practice guidance
- 1.2. Service charges are set in a consistent and comparable manner across the organisation, 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 RBH's responsibility to maintain communal areas on estates to satisfactory standards, regulatory health and safety requirements, and tenants priorities.
- 1.4. This Service Charge Policy is only applicable to rented policies. The service charge arrangements for leaseholders are contained in a separate policy.

2. SCOPE OF SERVICES

- 2.1 The service charge will cover the cost of providing and maintaining any service and benefits provided for the tenant which are in addition to the benefit of occupying their home.
- 2.2 The scope of services provided will be decided in consultation with tenants.
- 2.3 Services will vary according to individual properties but could include the following:
 - Estate caretaking
 - Grounds maintenance
 - Digital TV
 - Communal lighting
 - Sheltered accommodation – heating, lighting, cleaning and furnishing of communal areas
 - Sheltered accommodation – heating of dwellings
 - CCTV and concierge
 - Window cleaning
 - Furnished accommodation
 - Door entry systems

3. CALCULATION OF SERVICE CHARGES

- 3.1 RBH will set service charges by taking account of the full cost of the service provided and Value for money.
- 3.2 The service charges are variable and therefore the actual costs of providing the service each year will be passed on to tenants. This means that an estimated charge will be calculated each year and notified to tenants at the same time as the annual rent increase. Following the end of the year, RBH

will calculate how much has actually been spent on the provision of services and advise tenants of whether actual costs exceeded the estimate or vice-versa. Charges will then be adjusted to take account of the difference

- 3.3 RBH will aim to ensure that service charges are affordable. As service charges are designed to reflect recovery of the full cost of delivering the service, tenants may experience increases or decreases. Where increases are not the result of a change in service level requested by tenants, RBH will endeavour to work with tenants to identify ways to reduce the cost of a service.
- 3.4 Service charges will be calculated at estate, scheme or flat block level as appropriate. Each estate or scheme will be grouped together according to geographic location or service provided.

4. MONITORING AND REVIEW

- 4.1 This policy will be reviewed every year to ensure that it complies with relevant legislation and continues to promote good practice unless amendment is prompted sooner by a change in legislation.
- 4.2 Approval for any changes will be sought from the Operations Committee

5. LEGAL FRAMEWORK

- 5.1 RBH will ensure that this policy is compatible with existing legislation including but not limited to:
 - Landlord and Tenant Act 1954
 - Rent Act 1977
 - Housing Act 1985
 - Landlord and Tenant Act 1985
 - Housing and Planning Act 1986
 - Landlord and Tenant Act 1987
 - Housing Act 1988
 - Housing Act 1996
 - Commonhold and Leasehold Reform Act 2002
 - Housing Act 2004
 - Housing and Regeneration Act 2008

6. RELATED POLICIES/DOCUMENTS

- 6.1 Rent Setting Policy
- 6.2 Leasehold Management Policy