

WISHAW AND DISTRICT HOUSING ASSOCIATION

SERVICES CHARGES POLICY

As with all the Association's policies and procedures, this document, where required, can be translated into other community languages on request. For people with visual impairment, taped, large print or Braille versions can also be provided. Further information on the implementation of this policy is available at the office

Wishaw and District Housing Association acknowledges that, under the Housing (Scotland) Act 2001, it is required to consult with residents on policies that directly affect the management of the properties. The consultation process on the Service Charges Policy took place between Mid- February and the end of March 2009.

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1.0 INTRODUCTION

As part of its responsibilities and duties, Wishaw and District Housing Association is required to ensure that it provides a range of services aimed at managing and maintaining its property. This includes the maintenance and management of shared and common areas within buildings and/or estates.

These services are provided for the wider benefit of all the residents and the Association is required to recover the costs from all users and beneficiaries of these services. The obligations on residents are detailed in both the Scottish Secure Tenancy Agreement and in the Deed of Conditions for owner occupiers and sharing owners.

The Service Charges Policy is intended to clarify where, when and how the Association will apply service charges and to put in place a framework for ensuring that the costs are recharged to residents in a consistent, justifiable and equitable manner.

2.0 LEGAL FRAMEWORK

THE HOUSING (SCOTLAND) ACT 2001, Section 25 allows the Association to make a service charge and to increase the charge by giving four weeks written notice.

THE SCOTTISH SECURE TENANCY AGREEMENT, Part 1.6 outlines the services and the applicable costs that will be provided. It is a condition of entering into the contract that the tenant agrees to pay for these services. The tenancy agreement will also state what services are compulsory and which are optional.

THE SCOTTISH HOUSING REGULATOR'S PERFORMANCE STANDARDS AS 1.7 which requires landlords to "price services to our tenants and recover costs in a fair and accountable manner"

3.0 AIMS AND OBJECTIVES

The primary objective of the Service Charges Policy is to provide guidance and clarification on how the Association will calculate and apply service charges to ensure that all residents are charged fairly and consistently for the additional services they receive.

Additionally the policy aims to:

- Ensure that the Association fulfils, as far as possible, the requirement to recover all costs associated with the provision of services not covered by the rental charge
- Demonstrate the Association's commitment to applying service charges that represent good value for money
- Ensure that service charges are based on actual costs and, as far as possible, affordable
- Demonstrate that the Association can be held accountable for the costs recharged
- Ensure that the Association meets all legal and regulatory requirements and good practice
- Ensure that residents are provided with sufficient information on the setting and levying of the service charges applicable to their own building and/or area
- Ensure that all residents in a building and/or estate, regardless of tenure, contribute to the costs of providing services that they benefit from

4.0 DEFINITION OF A SERVICE CHARGE

A service charge is the amount recharged to residents for housing related services that are not covered by the rent charge but are;

- Required to keep common areas and open spaces safe
- Necessary for the good management of buildings and/or estates
- Legal requirements
- Considered good housing management practice
- Requested by residents

Individual building and/or estates will require different additional services and not every service will be provided to every resident. The Association will therefore endeavour to provide appropriate services to meet the needs of residents in defined blocks and/or areas.

Examples of the range of services that may be provided and recovered through the service charges are;

- The landscape maintenance of open areas, common grassed areas and shrub beds
- Cleaning of internal common areas (e.g. shared stairwells)
- Electricity consumption in the provision of communal lighting (e.g. back courts, internal stairwells, door entry systems etc)
- Warden or concierge
- Maintaining play areas

5.0 SETTING SERVICE CHARGES

Service charges will normally be reviewed and set annually and will be implemented at the same time as the rent increases.

Service charges will be based on the actual costs charged to the Association for the provision of the services and no profit will be made by the Association.

As far as possible the Association will endeavour to ensure that costs are kept as low as possible and, at all times, will have regard to affordability.

5.1 Direct Provision

Where the Association provides services directly, for example landscaping, it will normally invite contractors on the Association's approved list to tender for the contract. However, where the service is of a specialist nature or where there is an extremely limited selection of suitable contractors, the Association may offer the contract to a contractor of its choice.

The selection of contractor for any service will be based on value for money and the contractor's ability to provide the service to the specified standard but at all times will be carried out in line with the Association's policies and procedures.

5.2 External Provision

Where services are provided by a third party, for example electricity supply for back court lighting etc, part of the service charge for the coming year may be estimated. This is because these costs are charged by the suppliers retrospectively but have to be set for the coming year prior to all the bills for the previous period being received.

Any surplus or deficit will be taken into account when setting charges for the following year.

5.3 Sinking Fund

The Association reserves the right to charge residents a surcharge that would be set aside to accommodate any significant costs in the annual service charges to cushion the impact on residents of unusually high bills.

5.4 Apportionment

The costs of providing services will not normally be pooled across all of the Association's stock. Rather, charges will be identified separately and only recharged to those residents in actual receipt of each service or as detailed in the appropriate Deeds of Conditions.

Every resident that receives and/or benefits from the provision of a service will be expected to contribute to the costs and costs will therefore be split evenly between every resident in the block and/or estate, regardless of tenure.

6.0 NOTIFICATION OF SERVICE CHARGES

6.1 Tenancy Agreement

The Scottish Secure Tenancy Agreement requires the Association to note what services and service charges are applicable to that tenancy. Changes to either the actual services provided or to the annual costs will be notified in writing.

6.2 Schedule of Services and Costs

As part of the annual review of services and charges, residents will be provided with a breakdown of the services that will be provided in their building and/or estate. Where possible, actual and estimated costs will also be provided.

7.0 REVIEW OF CHARGES

It is expected that service charges will only be reviewed once a year for all residents. This will include charges for tenants whose rents are set by the rent officer unless the rent officer registers the service charges as non-variable.

In exceptional circumstances where there is an amendment to the charges at any time other than at the annual review, residents will be given 4 weeks notice before any changes are implemented.

8.0 RECOVERY OF SERVICE CHARGES

The obligation to pay the service charge is conferred on tenants as part of the Scottish Secure Tenancy agreement and on owners and sharing owners through their title deeds. Non payment of service charges will be deemed a breach of these contracts and any arrears accrued will be pursued in line with the Association's policies and procedures.

9.0 REVIEW OF SERVICES

The Association will regularly review the services it provides to ensure that they remain appropriate to each individual building and/or estate and that the Association continues to meet all health and safety regulations.

Residents may, at any time, seek additional services in their building and/or estate but these will only be provided after consultation and with the consent of every affected resident.

10.0 CONSULTATION ON SERVICES AND CHARGES

Prior to the annual review of the services and service charges, or any other proposed change to the services and/or service charges, affected residents will be invited to participate in a consultation exercise in line with the Association's policy and procedures.

11.0 THE RIGHT OF APPEAL

Any resident directly affected by the Association's implementation of the Service Charges Policy has the right to appeal against any decision made by the Association in relation to the services provided and the associated service charges.

A copy of the Association's Complaints and Appeals Procedures will be made available at the office.

12.0 EQUAL OPPORTUNITIES

Wishaw and District Housing Association is committed to the principles of Equal Opportunities and will endeavour to ensure that all its activities are carried out in a fair and undiscriminating manner in line with the Equal Opportunities Policy.

In particular the Association will not discriminate on the grounds of race, colour, culture, age, gender, religious beliefs, sexual orientation, national or ethnic origin, political affiliations or beliefs, disability, marital status, social background or medical conditions (including those with AIDS or are HIV Positive).

To ensure that information on service charges and the services provided is accessible to all of the Association's residents, translation and interpretation services will be provided where required and, where appropriate, information will be made available in other formats including tape, Braille and large print. These services will be provided in line with the Association's Translating and Interpreting Policy.

13.0 REVIEW OF THE POLICY

The Service Charges Policy will be reviewed by the Association's Board of Directors at least every three years. However elements of the policy may be reviewed by the Board within that timescale if required.

14.0 CONSULTATION

The Association will seek to carry out a consultation exercise prior to full implementation of any proposed review and/or amendment of the Service Charges Policy and, where appropriate, will seek the comments and views from interested and affected parties. All comments and views formally expressed and notified to the Association as part of the consultation exercise will be reported to the Association's Board of Directors for consideration and, where appropriate, the policy will be amended accordingly.

Document History

First Adopted by Board of Directors - 12 August 2008

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Written by EL