

## Service Charge Policy

<b>Date of approval</b>	<b>January 2025</b>
<b>Responsible director</b>	<b>Executive Director of Finance</b>
<b>Policy monitoring body</b>	<b>Board</b>
<b>Resident input into policy date</b>	<b>CX Committee</b>
<b>Date for policy review</b>	<b>Every 2 years</b>
<b>Linked strategies/policies</b>	<b>Value for Money strategy</b> <b>Resident Involvement strategy</b> <b>Living well fund policy</b> <b>Mutual Exchange policy</b> <b>Allocations policy</b> <b>Wyth Everyone Strategy</b> <b>Tenancy Management Policy</b> <b>Financial Inclusion Strategy (draft)</b> <b>Asset Management Strategy</b> <b>Procurement policy</b> <b>Rent Arrears policy</b> <b>Current Tenant Income Recovery Policy</b> <b>Leaseholder Arrears Policy</b> <b>Former Tenants Arrears Policy</b> <b>Financial Inclusion Policy</b> <b>Complaints Policy</b> <b>WCHG's Financial Regulations &amp; Standing Orders</b>
<b>Version/date</b>	<b>V1.1 – January 2025</b>

# **Service Charge Policy**

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## **1.0 Introduction**

### **1.1 Overview**

A Service Charge is a charge made by the Group to a resident, whose home is a WCHG property and whom receives certain services not included as part of their rent charge or where the resident receives services which are provided in connection with the occupation of their home. These services could include: the cleaning of communal use areas such as hallways, grounds maintenance, lifts, door entry systems, CCTV camera systems, electric gate access etc. Most service charges are eligible for Housing Benefit and Universal Credit depending on the residents eligibility to benefit entitlement.

Service charges reflect actual costs incurred in providing the service to the resident(s) and no profit is made from service charge income or charges levied.

Service charges are heavily controlled and regulated by statutory legislation such as the Landlord & Tenant act 1985, Landlord & Tenants Act 1987, common & Leaseholder Reform Act 2002 (which amended the 1985 Act) – See section 4. Service charges are also part of the contractual relationship with tenants, shared owners and leaseholders were relevant and the Group will always ensure it complies with the terms of the tenancy or lease agreement.

Service charges can be fixed or variable with WCHG using primarily variable service charges

- For variable service charges, future charges for customers are adjusted to reflect previous over or under recovery once all costs are known. In general, most WCHG customers have variable service charges.
- For fixed service charges, an estimate is issued at the beginning of the year, and any surpluses or deficits are absorbed by WCHG and are not carried forward to the next year.

The requirement for customers to pay service charges will be detailed in the tenancy or leasehold agreement and is further advised by legislation in force during the term of the agreement.

Services charges apply in different ways depending on the type of tenancy agreement or lease the customer has with WCHG.

### **1.2 Services not included in this policy**

In some WCHG buildings hot water for heating and domestic use is supplied by a communal boiler. Where the charges for this supply are paid for via a payment meter located in individual homes this supply is not included in the service charge or in the rent. Supply via this method is covered by a separate set of legislation which will make WCHG the supplier and therefore subject to OFGEM regulations and a Heat Supply Agreement with individual customers. OFGEM regulations are expected to come into force in 2025. A separate policy will cover this type of charge.

## 1.3 History

Currently, for the majority of the Group's long term rented properties, separate services charges are not levied for additional services such as communal cleaning, gardening and electricity in shared areas to tenants of their home . The cost of these services is covered from the rent income received from all properties. Also, some homes the Group rents are let under Affordable rent and this is a rental charge which is inclusive of service charges.

From 2018 WCHG has been disaggregating (separately identifying the rent value and the service charge value and charging service charges on top of the rent) the service charges from the core rent when relevant properties that receive services are re-let as a social rented property. The gross rental charge will be set by calculating the net rent (see Rent Policy), plus including the variable service charge.

## 2.0 Aims and Principles of the policy

This policy sets out the approach to setting and reviewing service charges for all properties which receive a service from WCHG and therefore pay a service charge to WCHG.

It aims to:

- Define our approach in setting service charges for customers.
- Ensure we comply with legal and regulatory standards.
- Support the recovery of 100% of the costs of providing services to maintain the financial viability of this service provision
- Demonstrate fairness and transparency to customers in our administration of service charges.

To achieve these aims WCHG will:

- Ensure compliance with service laws and regulations in that Service Charges are subject to separate legal requirements and are limited to the cost of providing the services.
- Provide customers with clear guidance about the services they are receiving and the respective cost.
- Work on the basis that Service Charges are variable, unless specifically stated as being fixed in the tenancy agreement.
- Ensure all services offer both quality and value for money for tenants.
- Only introduce service charges within the permitted legal framework and based on best practice.
- Ensure that service charges will reflect WCHG's legal obligations to maintain health and safety in its buildings in line with Government guidance.
- Provide all customers, with service charges, a letter and part 4 notice detailing any rent/service charge increase a minimum of 1 calendar month before any change is due to their charge.
- Where the actual costs are more or less than were estimated in any one financial year, the costs will be added to or deducted from the next full accounting year's charges.
- Provide all tenants who pay service charges a summary of the actual costs within 6 months of the end of the financial year.

- Comply with the clauses in the Landlord and Tenant Act 1985, Section 19. This specifies that relevant costs shall be included when determining the amount of service charges payable;
  - a) Only to the extent they have been reasonably incurred
  - b) Only if the services or works are of a reasonable standard
- If costs have risen significantly, reserve the right to not immediately pass on the full extent of such costs increases.
- Where tenants are dissatisfied with either the cost or level of services received direct them to WCHG's complaints policy or where relevant First-tier Tribunal.
- Ensure WCHG complies with the relevant parts of the Regulator of social housing Tenant satisfaction measures requirements

## **2.1 Reasonableness**

WCHG acknowledges the need for reasonable and fair service charges as stated under section 19 of the Landlord and Tenants Act 1985. There are three elements to this test of reasonableness:

- The costs should be fair and reasonable.
- The provision of the services and/or works is fair and reasonable.
- The services and/or works are of a reasonable standard.

## **2.2 How we decide on the services delivered**

The services provided within a scheme (residential area or block) are defined by the Executive Director of Assets in consultation with the Executive Director of Customers & Communities and the associated costs included in the service charges are reviewed on an annual basis as part of the budgeting process. The services delivered will normally include:

- Statutory services to ensure compliance with Health & Safety, building safety including statutory testing and maintenance legislation.
- Essential services to ensure homes and common parts are maintained, such as cleaning and maintenance of communal areas and grounds maintenance.
- Discretionary services where there is an agreement in place to provide these.

The costs will be separately identified and budgeted for each element of the service. Services can only be charged through the service charge where the agreement provides for this. If there is a proposed change to the services, relevant residents will be consulted, and the procedure set out in the agreement followed to allow for variation in the service.

## **3.0 Scope**

This policy applies to all WCHG customers who benefit from chargeable services provided in connection with their occupation of their home and common parts.

It applies to both fixed and variable charges across all tenure types including:

- Rented
- Shared Ownership
- Leasehold homes
- Managing Agent/Supported Housing

- Commercial properties

Out of scope of this policy:

- Assisted Gardening services and charges
- Affordable rented properties
- Market rent properties ?
- Charges levied by other parties such as Care charges
- Communal & network heating systems charges
- Ground rents
- Fair rent properties – pre-1985
- Social rent properties – tenancy start pre-2018

#### **4.0 Compliance - Statutory and Legal Framework**

This policy is in place to support, WCHGs compliance with the following:

- Regulatory compliance – in particular the Rent Standard & Consumer standards
- Legislative compliance – in particular the Landlord & Tenants Act 1985 as amended, Landlord & Tenants Act 1987, common & Leaseholder Reform Act 2002 (which amended the 1985 Act)
- Best practice – Including the National Federation – Service Charges handbook

The Landlord and Tenants Act 1985 and Commonhold and Leasehold Reform Act 2002

Section 19 (1) (a) Service charges must be reasonably incurred.

WCHG will demonstrate reasonableness by retendering services on a regular basis as per the Procurement policy to demonstrate value for money.

Section 19 (1) (b) The provision of services or carrying out of works must be of a reasonable standard.

WCHG will demonstrate a reasonable standard of service delivery by robust contract management, utilising customer involvement and seeking customer feedback with regard to the services delivered

#### **Section 20 consultation requirements**

WCHG will undertake resident consultation and listen to the views from residents about service provision and the charges for any works completed. We will consult with all residents paying a variable service charge if qualifying works costs exceed £250 (including VAT) per property and/or we intend to enter into a qualifying long-term agreement with a length longer than 12 months and with a cost of more than £100 (including VAT) per property.

Failure to follow the correct consultation procedure will mean that WCHG are only able to recover a maximum of £100 for long term agreements entered into and/or £250 for Qualifying works carried out, of the value of the contract and/or the cost of works from any one customer in any one financial year. In certain circumstances WCHG will seek to set aside section 20 requirements if there is an urgent requirement to undertake urgent works due to Building or health and safety reasons. WCHG will always communicate to residents where this is the case and will also seek to make this the exception rather than the norm. WCHG may apply to the First-tier Tribunal in these incidences.

For customer groups covered by the legislation relating to Qualifying Long-Term Agreements, Qualifying Works, and Qualifying Works within a Long-Term Agreement a separate consultation exercise will be undertaken. These are defined as:

**Qualifying Long Term Agreements S20 (1 & 2)**

Is any agreement to provide services for a period exceeding twelve months when the cost of the service to any one service charge payer exceeds £100 in any accounting period per property. Examples include agreements for supplying goods and services (such as cleaning, window cleaning and gardening).

**Qualifying Works S20 (4)**

Are defined as any work proposed as a one-off cost where the cost to one service charge payer exceeds £250 in a single accounting period per property. Examples include repairs and maintenance and improvements to the building or estate.

**Qualifying Works within a Qualifying Long-Term Agreement S20 (3)**

Are defined as any works proposed as a one-off cost as part of a Qualifying Long-Term Agreement where the cost to one service charge payer exceeds £250 in any, one accounting period per property. Even if WCHG have consulted about a long-term agreement with a contractor, if they carry out work that may cost more than £250, we must consult with customers again.

The Section 20 consultation process for relevant properties and customers is covered in the Asset Management Strategy.

**Section 20B Time limit on making demands**

Demands for service charge payments must be made within 18 months of those costs being incurred by WCHG. Costs are not recoverable if incurred more than 18 months after demanded. Customers on a variable agreement will receive year end accounts within 6 months of the year end. If we cannot send out the year end accounts within 6 months of the year end, then WCHG will send a Section 20B notice which lists all estimated year end invoices.

**Section 21 (1) Service charge information**

Tenants or recognised Tenants association can request WCHG to provide a summary of service charge costs. Once the request is received WCHG must provide the information within one month or within six months of the year end, whichever is later.

**Section 21 (6) Service charge information**

The relevant WCHG contract Manager retains the overall responsibility for the implementation and its delivery of the Section 20 process.

**Section 22 Request to inspect supporting accounts.**

Tenants have the right to inspect documents relating to their service charges within a period of six months from receipt of the summary, the service charge payer (or the secretary of a recognised tenants' association) may require access to and inspection of the accounts, receipts and any other documents relating to the service charge information. WCHG will make such information available for inspection or in the case of another provider holding such information WCHG will supply the name and address of the freeholder or superior landlord. WCHG will provide facilities for documents to be copied, we may charge a fee for printing invoices.

WCHG will work with tenants and residents to ensure clarity of explanations regarding the interpretation of documents and calculation methods.

## **5.0 Policy and Methodology**

### **5.1 How Service Charges Will Work**

Each year WCHG will give a best estimate for the required service charges for the coming financial year. The WCHG financial year runs from 1<sup>st</sup> April to 31<sup>st</sup> March.

All calculations of service charges are based on services received. If the property is within a block, costs will be based on an equal apportionment of the services received. Where the level of service changes, after consultation with tenants, an adjustment will be made to the charges at the point at which the service delivery changes.

Prior to the start of the new financial year WCHG will send a notice to customers who pay service charges detailing their estimated service charges.

The notice will include:-

- a clear and accurate demand for payment of the estimated service charges in a format in line with the agreement
- the prescribed sheet which details the customers rights and obligations, where applicable
- guidance notes for customers regarding service charges

Direct Debit is the preferred payment method for the Group. WCHG will also provide a range of other payment methods and review these periodically. Financial inclusion support is available for those residents who may experience difficulty in paying their service charges.

Following the end of the financial year, and no later than six months from that date WCHG will provide annual statements of customer service charge accounts

The statement of accounts will include:-

- the actual expenditure costs for the block (if applicable) and individual property
- the estimated costs invoiced that year as service charge
- the difference between the above amounts
- the total balance held in the sinking fund (if applicable)

Where the actual costs are more than were estimated, the customer will be required to pay the difference (a deficit), in line with their agreement. Some customers will be invoiced for the deficit, payable by a specified date, and others will pay it over the following year. WCHG will support customers experiencing financial hardship in making payments.

Where the actual costs for the whole year are less than were estimated, the customer will be credited the difference, by way of a credit to their payment account.

WCHG will serve a section 20B notice if the final accounts will not be available within six months of the end of the financial year.



## 5.2 Who Service Charges Apply To

Tenancy Type	Service Charges	Notes
Social rent – Tenancy start date prior to 2018 change	No	Only rent is paid
Social rent – Tenancy start date after 2018 change On change of tenancy after 2018 Service Charges are separated out and charged	Yes - On change of tenancy after 2018 Service Charges are separated out and charge	Rent is paid Service charges are paid and are shown separately
Affordable Rent	Yes – included in the rent and not separated out	Only rent paid – inclusive of service charges
Leaseholders	Yes - paid at intervals specified in the lease e.g. quarterly  Leaseholders pay an annual ground rent only	Buildings insurance provided via WCHG is charged  A sinking fund contribution will also be charged in respect of future major works to maintain the building  Details are specified in the lease
Shared owners	Yes – paid at intervals specified in the agreement  Rent is paid on the % of the property not yet purchased	Buildings insurance provided via WCHG is charged
Rent to Buy	Yes – if service charges apply – depends on building type	Building type sets insurance requirements as specified in agreement
Managing agent /Supported Housing homes	Yes	Charges include the additional services provided

Where there has been a right to buy application in the last five years WCHG will ensure that repairs charges (including major works) do not exceed the amounts as quoted on the section 125 notice. See section 5.9 for applications and service costs.

## **Exclusions**

Certain items of expenditure will always be excluded from the service charge for a rented property as they are met from the rent (see rent policy) and defined as statutory repairing obligations under section 11 of the Landlord & Tenants Act 1985, including:

- Cost of Housing Management
- Maintenance of the structure and exterior of the building
- Building insurance
- Renewal of Equipment provisions (where equipment is part of (repairing responsibilities).

### **5.3 What Costs are Service Charged**

There are a variety of costs associated with maintaining buildings and these costs are passed on to customers via service charges. The definition of the costs are detailed in the Glossary to ensure clarity. This glossary will be updated to reflect changes to new or redundant charge headings and definitions.

### **5.4 How we will estimate costs**

Estimated costs will be based on the following principles.

There are a number of factors which can influence these charges, such as increased usage, unexpected breakdowns, physical damage, new regulations we have to comply with etc. that we are unable to predict based on past costs so we do not factor these unknowns in.

The values we can use will be the estimated charges which we reasonably expect to incur in providing the services at the properties in which these customers have their homes.

We will estimate these charges based on:

- The actual costs incurred and passed to the customer in the prior year e.g. April 2023 to March 2024.
- The estimated impact of inflation on these costs in the current year e.g. April 2024 to March 2025 – we are estimating these costs in December 2024 so WCHG won't have a full picture of cost increase impact at this point
- The forecast impact of inflation during the year in which these costs will be incurred e.g. April 2025 to March 2026
- Any known changes in costs relating to contract renewals or the end of a fixed term contract and the start of a new contract
- Any other known cost increases we can reasonably quantify that will impact costs during the period of the estimate for the new year e.g. April 2024 to March 2025 or April 2025 to March 2026

By doing this, and providing there are no unexpected costs or changes in costs, the difference between the amount paid during the year (the estimate) and the actual costs WCHG incur and pass onto our customers will be minimised. The aim is to minimise the value of the surplus/deficit.

When setting the estimate for customers WCHG will provide details of the basis on which WCHG have come to the figures. This is explained in detail below and this will be summarised in the explanation provided to customers.

Before WCHG commences this exercise each year the factors above will be described and quantified in a paper which will be presented to Group Leadership Team (GLT) for approval. Estimated costs for the year ahead are notified to Customers in February of each year by letter. These estimated costs are payable from 1<sup>st</sup> April each year.

The costs payable will include any deficit/surplus value identified through the estimate versus actual cost comparison. The total cost will be increased by any deficit and decreased by any surplus.

## **5.5 How WCHG will calculate actual costs**

As services are provided the costs of those services will be accounted for in line with recognised accounting practice. WCHG may provide the services using a variety of methods such as their repairs and maintenance team, other staff employed directly by WCHG, using external contractors, contracting with utilities providers, insurance companies etc.

Where WCHG directly employs staff these costs will be allocated to the service provided based on an appropriate method such as an hourly charge rate which reflects the full cost to WCHG of employing the staff.

Where an external provider is used the costs will be allocated in line with the invoice received from the supplier.

WCHG cannot reclaim the VAT charged on the invoice so the full cost including VAT will be the basis of the allocated charge.

WCHG will manage the processing of all invoices received and ensure suppliers are paid. WCHG will also arrange appropriate contracts with suppliers to achieve value for money on all supplies and quality of services delivered.

WCHG will account for all the costs via the accounting system and pass information to the Service Charge Team who will allocate the relevant costs to the relevant property throughout the year.

Full details of the costs for each property will be kept on file to provide a full audit trail facilitating a detailed examination of costs and subsequent charges to ensure full transparency and accountability. This information will be available for review in the event of any queries or questions. Due to the complexities of the data and calculation methods WCHG will support customers in any review of relevant information to ensure clarity.

Following the end of the financial year, and no later than six months from that date WCHG will provide annual statements of customer service charge accounts

The statement of accounts will include:-

- the actual expenditure costs for the block (if applicable) and individual property
- the estimated costs invoiced that year as service charge
- the difference between the above amounts
- the total balance held in the sinking fund (if applicable)

Where the actual costs are more than were estimated, the customer will be required to pay the difference (a deficit), in line with their agreement. Some customers will be invoiced for the deficit, payable by a specified date, and others will pay it over the following year. WCHG will support customers experiencing financial hardship in making payments.

Where the actual costs for the whole year are less than were estimated, the customer will be credited the difference, by way of a credit to their payment account.

WCHG will serve a section 20B notice if the final accounts will not be available within six months of the end of the financial year.

### **5.6 Third party estate charge**

Some housing stock or homes are managed by a third-party Managing Agent on WCHG's behalf. The setting of the service charge is undertaken by the Managing Agent in line with the clause in the lease of transfer document. WCHG will pass on third-party charges which are chargeable to our tenants or Shared Owners however WCHG is responsible and accountable as the landlord unless our responsibility is relinquished through staircasing or Right to Buy or Right to Acquire(RTB/RTA).

### **5.7 Freehold properties**

For properties which are sold by way of freehold transfer a variable service charge would be applicable to these properties and how WCHG manages this charge would be determined by the relevant clause in the transfer document.

### **5.8 Empty (Void) properties – Service costs**

Tenants are not responsible for service costs attributable to unlet properties. WCHG would be responsible for these costs until the new tenancy starts.

Leaseholder/Freeholder – The responsibility for the service charge costs would continue to be the responsibility of the owner or estate as part of their lease/transfer.

Commercial leaseholders – The unlet/void units should revert to the responsibility of the landlord but please check the lease agreement.

Neighbourhood apartments (V135 Extra Care) – the charges are responsibility of the partner with whom the agreement is made by WCHG.

New developments – Unsold units would be the responsibility of WCHG or the developer.

### **5.9 Right to Buy (RTB)/ Right to Acquire (RTA)**

Tenants are eligible to buy their homes if they have met specific criteria set in the Right to Buy Policy.

Section 125a of the Housing Act 1985 act sets out information which must be included in the offer notice which landlords must send to applicants for RTB/RTA Schemes as part of the sales process. Residents must be given an estimate of the annual cost of services and repairs and an estimate of major works or repairs over the 5-year period. The estimates included in the S125 notice are set for a reference period which is currently 5 years.

There are two types of restrictions on what Landlords can charge in the reference period:

- WCHG can only charge for things which are mentioned in the Offer Notice.

- The amounts which WCHG can charge is restricted to the amounts stated in the Offer Notice plus an additional amount which the law allows a landlord to add to the initial estimate to take into account for inflation.

## **5.7 Sinking Fund**

Sinking Funds are funds formed by periodically setting aside monies to pay towards future major works such as replacement of roofs, doors and windows, external decoration etc

Sinking Funds are only applicable to shared owner's and leaseholder's homes and details are specified in the lease.

Sinking funds are calculated by taking the values of major components and spreading the replacement cost over their lifetime). The same is applied for any works that are done on a cyclical basis. Whilst the calculation method uses the values of major components, the intention is not to ring fence funds for specific elements, but to have one fund to cover any future works.

Sinking Funds are held on trust for all those leaseholders who are obliged to contribute. Any interest earned on these Accounts is added to the Sinking Funds (less the cost of maintaining the account and any applicable tax).

No management fee is charged for the administration of the sinking fund but a fee, as a percentage of the total cost, is charged for the management of any works carried out which a paid for from the sinking fund.

WCHG will carry out a desktop review of Sinking Fund contributions every five years with a more in depth review every ten. This review will endeavour to match sinking fund contributions with the future cost of major works. Where the cost of major works, including non-reclaimable VAT and management fees, exceeds the value of the sinking fund balance the customer will be required to pay the balance due in a timely manner. WCHG will support customers experiencing financial hardship in making payments.

## **5.8 Ground Rents**

Ground Rents are charged to leaseholders and invoiced in accordance with the lease and using the prescribed format and timescales set out in s166 of the Commonhold and Leasehold Reform Act 2002. Ground rents do not form part of the service charge.

## **5.9 Management Charges and Administration Fees**

Management Charges cover the costs of providing the management service. This includes the calculation and billing of the service charges, the collection and administration of monies, including Sinking Fund accounts, arrangement and payment of contracts, staffing costs and overheads such as stationery / postage / telephone call costs. All leaseholders and shared owners are charged a management charge in accordance with their lease.

WCHG management charges vary from a percentage of services provided, to a fixed annual fee, dependent on the lease terms.

Fixed annual fees may be increased in line with inflation.

### **5.10 Other Administration Fees**

Additional administration fees may be charged to customers, who are leaseholders or shared owners, in connection with the sale of their leasehold/share ownership share.

These include, but are not limited to

- Provision of past service charge accounts and other information for a seller's information pack
- Provision of copies of leases
- Administration of a notice of re-mortgage
- Administration of a transfer of names on a lease
- The approval of a further loan
- The provision of additional copies of correspondence
- The administration involved in giving / declining permission for alterations
- The provision of a copy of the service charge budget or accounts
- The administration in amending records for leaseholder sublets.

### **5.11 Buildings Insurance**

In general, WCHG is responsible for providing buildings insurance. Where this is not the case this will be made clear to the particular customers to whom this exception applies

Customers are responsible for arranging insurance for the contents of their home. WCHG does not arrange or hold any insurance cover in this respect of contents in customer's homes.

Where WCHG arranges buildings insurance for customers who are leaseholders or shared owners the cost of buildings insurance is passed to those customers through the service charge.

WCHG will procure the best value insurance policy for homes on an annual or a longer-term contract.

Each leaseholder will be recharged their share of the insurance premium as advised annually by the insurance provider.

WCHG will ensure that each building within its responsibility and all communal areas are adequately insured.

An annual summary of cover will be made available to all leaseholders.

WCHG will provide leaseholders all the relevant information they require to make a claim should they need to.

WCHG will give advice to leaseholders on how they can make a claim if they have a defect problem with a recently built property covered under a new build warranty.

WCHG will make a claim if there is a defect problem that needs to be rectified in a communal area and it is covered by a new build warranty.

Where the leaseholder is responsible for arrangement of buildings insurance, WCHG will offer to arrange cover under an individual signed agreement which will be treated as an additional charge.

## **5.12 New Homes & residential developments**

It is our objective to build and develop new homes that are designed and constructed to be as efficient as possible to ensure that running costs, including associated service charges, are cost effective and affordable for customers including minimising the need for service charge items. We will determine which services will be provided and their costs from both external contractors and our own in-house maintenance team.

When appraising new developments that are projected to have a service charge, consideration will be given to the viability of any scheme. The terms of the lease/tenancy agreement will determine whether the service charges will be fixed or variable, depending on the tenure type. New tenants will be informed of the services provided and the service standards they can expect. Costs will be apportioned fairly across the relevant properties.

Sinking funds will be collected where specified in the lease/tenancy agreement and held in accordance with regulations, they will be calculated using the sinking fund procedures and standard table of costs. Where necessary, funds will be allocated and when necessary be available and utilised for major repairs and/or future replacement provision.

## **5.13 Relationship to benefit entitlement**

Most services are eligible for Housing Benefit & Universal Credit where there is a contractual obligation to provide the service for which the charge is paid. All tenancy agreements will be explicit about obligations for the customer to pay for them.

The regulations relating to service charges can be divided into two categories: a legal definition of what is meant by a service charge, and broad definitions of the eligible service charge categories with some additional specific exclusion criteria:

There are four conditions for eligible service charge payments:

1. The right to occupy the accommodation is dependent upon the tenant paying service charges, for example where it forms part of the tenancy agreement.
2. The service charge wholly falls into one or more of the following categories:
  - Category A: Maintaining the general standard of the accommodation.
  - Category B: Areas of communal use
  - Category C: Basic communal services
  - Category D: Tenant accommodation-specific charge
3. The costs or charges are reasonable and that they relate to such services as it is reasonable to provide.
4. There are a number of exclusions, which include any charges for meals, medical expenses, and personal services of any description.

WCHG will support residents with advice on applications for Housing Benefit and Universal Credit.

## **6.0 Resident Consultation and Engagement**

WCHG are committed to ensuring that all its customers who pay service charges have the opportunity for on-going involvement in deciding the type and extent of services, subject to contractual, regulatory and legal requirements. We will ensure our customers have a minimum of four weeks notification/consultation period prior to changes in services but we will endeavour to communicate as soon as we are aware of possible changes.

WCHG will consult and inform customers in line with statutory requirements as and when required in the specified processes. A notable process where consultation is required is when Section 20 work is to be completed. Section 20 of the Landlord and Tenants Act 1985 will be adhered to.

Wherever possible, WCHG will involve customers in assessing value for money, selecting contractors and will assist them in making informed judgements.

### **6.1 Complaints**

Customers may make service requests, comments or complaints about any aspects of services by the Group. All service requests, comments and complaints will be responded to in line with our Complaints Policy.

## **7.0 Roles and Responsibilities**

The Executive Director of Finance is responsible to the Chief Executive and the Board for ensuring the implementation of this policy.

The Board will approve the service charge policy, annual rent and service charge increase, and can agree any exemptions to increases in both the rent and service charges based on market conditions or specific circumstances.

## **8.0 Value for Money**

WCHG will aim to deliver value for money to customers in the provision of services. This will be achieved by:

- Creating the lowest overall service charge by selecting facilities appropriate to the type of new development.
- Reviewing all service contracts on a regular basis to ensure that service levels are maintained which is cost effective and affordable to customers.
- Maintaining accurate records and accurate budgeting for property, customers, and costs to ensure costs are fair and transparent.
- Involving residents in the procurement, determining of the level of service required and monitoring of services that result in a service charge being levied

## **9.0 Monitoring Policy effectiveness**

The Group will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness.

This policy will be reviewed every two years.



## **10.0 Equality & Diversity**

All associated individuals within WCHG have the responsibility to protect the interests of WCHG. The Single Equality Scheme works towards developing services, facilities and working practices, which are equally accessible and non-discriminatory for all associated individuals with WCHG. This is irrespective of their gender, age, race, sexuality, disability, religion, marital status/civil partnerships, pregnancy/maternity and economic status, and in line with the nine protected characteristics part of the new legislation under Equality Act 2010.

A key element of the Equality standards involves carrying out an Equality Impact Assessment on all existing and, in particular, new policies to ensure they do not have an adverse impact or promote any form of discrimination to particular groups or associated protected characteristics. An Equality Impact Assessment has been carried out to this policy and will be reviewed on a yearly basis.

This policy upon request can be provided in languages other than English, in Braille, Large Print and Audio format.

