



Service Charges Policy

1. Introduction

- 1.1 Salvation Army Homes recognises that it must deliver continuous improvements and value for money in the services provided to residents. We recognise that we are obliged to provide residents with information about their service charges, the costs that their charges cover, how charges are budgeted, and how increases are calculated.
- 1.2 We also recognise the need to maximise rental income by levying a service charge for those items not covered by the rental charge and to control our rental income by the effective collection of service charges, in order to remain financially viable and provide a range of services that residents rightly expect from their landlord.

2. Scope

- 2.1 This policy aims to achieve the following objectives:
 - To develop a consistent approach to setting fair and reasonable service charges.
 - To ensure that we provide high quality services that are cost efficient and provide value for money.
 - To ensure that residents are consulted about the quality and costs of the services that we provide.
 - To ensure that residents are sent a schedule of their service charges on time and in a clear format.
 - To ensure that a wide range of payment options are provided.

3. Principles

- 3.1 A service charge is a charge made to residents to cover the costs incurred in the upkeep of the communal parts of property for which all residents have a joint responsibility or share that responsibility with the landlord. There are also some charges that may apply to the inside of a property, such as servicing of hard-wired smoke detectors. Services charged may also be referred to as Personal Charges. This is particularly the case for residents in our Foyers and Agency Managed Services.

3.2 The following list provides an example of possible services, but it is not exhaustive:

- Caretaking
- Warden or concierge services (a concierge can be a security/caretaking role)
- Grounds maintenance and gardening
- Window cleaning
- Communal heating, and water supplies
- Door entry maintenance
- Lift maintenance
- Communal TV aerial systems
- Management costs

For the purpose of this policy the term ‘tenancy’ also applies to licences and other occupancy agreement types where a service charge is applicable.

4. Policy Statement

4.1 Responsibilities

Residents are responsible for paying their service charges as set out in their occupancy agreement. We will offer a variety of payment methods including All Pay (swipe cards), Standing Orders, Direct Debits, Cheques and Postal Orders and via our website.

Residents are responsible for informing us if they are having any difficulties in paying their charges or if they have fallen into arrears. We will signpost advice and assist residents in claiming any welfare benefits they may be eligible for, including Housing Benefit, to help sustain their tenancy and prevent residents falling into arrears. Non-payment will result in our Debt Management Policy being applied where appropriate.

Residents are also responsible for raising any concerns or queries regarding changes to service charges during consultation periods and providing feedback throughout the year on our service charges performance.

The organisation is responsible for ensuring that service charges are correctly administered within legal obligations, that the correct agreed services are delivered and that the correct charges are made. We will ensure staff are suitably trained to provide consistent and effective service charge administration.

The organisation is also responsible for ensuring that there are effective consultation opportunities, meeting at least the statutory minimum requirements.

4.2 Statement

As a national provider of social housing to a diverse range of service users, we want to ensure that we address local needs and recognise that local needs sometimes require local solutions that are arrived at through engagement with local stakeholders. The implementation of our policies may, therefore, be varied at a local level and where this is the case, we will clearly set out any local variations that apply.

It is our policy to operate fixed service charges rather than variable service charge arrangements.

4.3 Consultation

As part of our commitment to involving residents in the areas in which they live, we will consult residents on their opinions about current service contractors such as cleaning and gardening contractors, to help inform our decisions about whether a new contractor is needed.

Where a new service charge is to be provided, we will consult with residents to allow an opportunity to raise any objections or find out more details about why the service is considered necessary.

In most cases we will take the majority view about a new service charge. As a guideline, we will take 60% as the majority view. However, if a new service charge is due to a legislative or health and safety requirement, we may be required by law to make the necessary changes but will ensure that residents are fully informed.

We will consult residents on the following:

- Any change in the provision of, or standard of, services
- Introduction of new services
- Removal of existing services
- Any change in the way charges are apportioned to various residents
- Any proposed major works

Where residents have any positive or negative feedback with any aspect concerning the costs, charges or the service provided, such feedback is encouraged. We will accept feedback in any format, but preferably in writing. This will be acknowledged within 1 working day, and a full response provided within 10 working days. Should a resident be unhappy with our response, the issue may be progressed through the Complaints and Compliments Procedure.

Whenever an error occurs with service charge calculations, payments or services the association will endeavour to rectify the error as swiftly and thoroughly as possible with residents given regular updates of progress as appropriate to the action being taken.

We will make available to residents an information leaflet regarding service charges which will include definitions of service charge terminology. In addition, we will regularly review with residents the format of our service charge statements to ensure that they are clear and understandable.

4.4 Calculation of Service Charges

The organisation will comply with all statutory and legislative requirements in delivering and charging for services to residents. All service charges are based on

either actual or estimated costs of providing the service. An annual schedule of estimated service charge costs will be drawn up for each scheme in advance of each financial year, based on the actual costs of the previous full financial year, plus any assumed inflationary costs and local knowledge, as a basis for setting the new charge.

We will undertake to assess affordability and impact of service charge increases. We are keen to ensure that whilst delivering the necessary services, the service charges endeavour to remain affordable to residents.

4.5 Agency Managed Services

Where we engage managing agents to provide housing services on our behalf, they are responsible for the setting and collection of all service charges. We will work to ensure that our managing agents provide services that are at least as comparable as our own and that their approach to service charges are in line with our own approach as set out in this policy.

4.6 Complaints

Any member of the public, a residents or employee can complain if they believe that the Service Charge Policy has not been applied properly. All complaints are taken seriously and investigated properly. Residents or applicants for housing/services can complain by phoning, emailing or writing. Complaints will be dealt with under our Complaints and Compliments Policy and Procedure which will be sent to anyone raising a complaint. Information on how to make a complaint is also available on the Salvation Army Homes website www.salvationarmyhomes.org.uk

5. Data Protection and Equality Impact

In developing this policy, we have carried out assessments to ensure that we have considered:

- Equality, Diversity and Inclusion
- Privacy and Data Protection

To request a copy of these full assessments, please contact the Business Assurance Team at business.assurance@salvationarmyhomes.org.uk.

6. Further information

If you have any questions regarding this policy, please contact your line manager or the Business Assurance Team at business.assurance@salvationarmyhomes.org.uk, who will direct your query to the relevant Policy owner.

Legislative and Regulatory Framework

The following legislation, regulatory standards and documents can be relied upon to inform this policy.

Legal Framework	Regulatory Standard	Other documents
Landlord and Tenant Act 1985	Rent Standard Guidance 2020	Service Charge Procedure
		Rent Setting Policy / Procedure
		Complaint and Compliments Policy
		National Housing Federation Service Charge and Rent Charges

Document History Log

Lead Reviewer	Date			Version	Approval	
	Created:	Revised:	Expiry		By	Date
HoF		Aug 2022	Aug 2025	2.0	EMT	Aug 2022
BAM	Rebrand	Sept 2024	Aug 2025	2.1	N/A	N/A

Equality Impact Assessment Summary			
Protected characteristic	Impact (Positive, negative, neutral)	Protected characteristic	Impact (Positive, negative, neutral)
Age	Neutral	Disability	Neutral
Sex	Neutral	Race	Neutral
Religion of belief	Neutral	Sexual orientation	Neutral
Gender reassignment	Neutral	Pregnancy / maternity	Neutral
Marriage / civil partnership	Neutral		