
Service Charge Policy



10 September 2026

Board of Management

Contents

1.0 Our Purpose	3
2.0 Why this policy matters	3
3.0 Scope	4
4.0 Legal and regulatory framework	4
5.0 Useful definitions	5
6.0 Our service charge principles	6
7.0 Contractual authority and recoverability	7
8.0 Services we may charge for	7
9.0 Setting budgets and charges	8
10.0 Apportionment	8
11.0 Management and administration costs	9
12.0 Fixed service charges	9
13.0 Variable service charges and year-end accounts	10
14.0 Reserve funds, sinking funds and lifecycle charges	10
15.0 Affordable Rent	11
16.0 Housing Benefit and Universal Credit	11
17.0 Service delivery, monitoring and evidence	11
18.0 Value for money and procurement	12
19.0 Consultation and resident influence	12
20.0 Section 20 consultation	13
21.0 Information, transparency and resident understanding	13
22.0 Service charge enquiries	14
23.0 Complaints, disputes and the First-tier Tribunal	15
24.0 Errors, refunds and remediation	15
25.0 Affordability and resident support	15
26.0 Equality, accessibility and diverse needs	16
27.0 New developments and service charge design	16
28.0 Governance, assurance and performance	16
29.0 Roles and responsibilities	17
30.0 Risk management	18
31.0 Training and competence	19
32.0 Review	19
33.0 Our Commitment	20

1.0 Our Purpose

Everything we do is about supporting older and vulnerable people to live safely, independently and well.

Many of the services that make our schemes safe, welcoming and well maintained are shared by the people who live there. Service charges allow us to recover the cost of providing those services where a tenancy, lease or other occupancy agreement allows us to do so.

We know that service charges are an important part of the cost of someone's home. We therefore want them to be fair, reasonable and transparent, and we want residents to understand what they are paying for and the service they should expect in return.

This policy explains how we set, manage, monitor and account for service charges. It also explains how we meet our legal and regulatory responsibilities while reflecting our values and our commitment to People, Places and Partnerships.

Our starting point is simple: we only charge residents for services where we have the right to do so.

2.0 Why this policy matters

Service charges affect residents' household costs and help fund important communal and scheme-based services. Getting them right supports trust, affordability, good financial management and well-maintained places.

We want our approach to be easy to understand. Residents should be able to see what they are paying for, how their charge has been worked out and, where relevant, how the service has performed.

This policy supports our wider strategic commitments:

- **People** – listening to residents, explaining charges clearly, treating people fairly and providing additional support where it is needed.
 - **Places** – providing safe, well-maintained and welcoming homes and shared spaces, with clear links between charges and the services delivered.
 - **Partnerships** – working with residents, contractors, managing agents and other partners to deliver quality, value for money and accountability.
-

3.0 Scope

This policy applies to the service charges we manage for residents across our rented, shared ownership and leasehold homes. Different legal and contractual rules apply to different tenures, and not every part of this policy will apply in the same way to every resident.

The relevant tenancy, lease or other occupancy agreement remains the starting point. Where an agreement contains specific requirements about a service, charge, apportionment, consultation, reserve fund or accounting arrangement, we will follow those requirements alongside applicable law.

This policy should be read with our Rent Policy, Complaints and Learning Policy, Procurement Policy, Value for Money Policy, Inclusive Service Delivery Policy, Asset Management Strategy, Information Governance Policy and relevant financial and service charge procedures.

4.0 Legal and regulatory framework

We manage service charges within a framework of contract, legislation, regulation and good practice. The main requirements include, where applicable:

- Landlord and Tenant Act 1985, including provisions relating to variable service charges, reasonableness, consultation, recovery of costs and information rights.
- Landlord and Tenant Act 1987, including statutory requirements concerning landlord information and addresses for service of notices.
- Housing Act 1988, where relevant to rents and fixed service charges.
- Commonhold and Leasehold Reform Act 2002 and the Service Charges (Consultation Requirements) (England) Regulations 2003.
- Leasehold and Freehold Reform Act 2024, as provisions are brought into force and supporting regulations are made.
- Housing and Regeneration Act 2008 and the regulatory standards issued by the Regulator of Social Housing.
- Rent Standard 2026 and the Government's Policy Statement on Rents for Social Housing, where applicable.
- The Transparency, Influence and Accountability Standard, including the Social Tenant Access to Information Requirements (STAIRs), as applicable from 1 October 2026 and 1 April 2027.
- The Regulator of Social Housing's economic standards, including the Value for Money Standard, where relevant.
- The Competence and Conduct Standard and associated regulatory requirements, where relevant to colleagues delivering services under this policy.
- Housing Ombudsman Scheme and statutory Complaint Handling Code.

- Equality Act 2010, UK GDPR and Data Protection Act 2018.
- Housing Benefit and Universal Credit rules relating to eligible service charges.

Legislation and regulation change over time. Detailed statutory forms, thresholds and procedural steps are therefore maintained in our supporting procedures and guidance rather than repeated in full in this policy.

Where a future legal change has been announced but is not yet in force, we will prepare for implementation but continue to apply the law currently in force until the relevant commencement date.

5.0 Useful definitions

5.1 Service charge

A service charge is a payment a resident is required to make towards the cost of specified services associated with their home, building, scheme or estate, where the relevant tenancy, lease or other occupancy agreement permits the charge.

Service charges may contribute towards services such as communal cleaning, grounds maintenance, communal utilities, equipment, servicing, insurance, repairs, management or other costs where these are properly recoverable.

For rented homes, rent normally covers the core costs associated with occupation and our landlord responsibilities. A separate service charge normally relates to additional or communal services.

For leaseholders and shared owners, the lease may permit a wider range of building, estate, insurance, management, repair and reserve-fund costs to be recovered.

Section 18 of the Landlord and Tenant Act 1985 provides the statutory definition of a variable service charge for the purposes of that Act.

5.2 Variable service charge

A variable service charge changes according to the costs incurred or expected to be incurred.

We normally set an estimate at the start of the charging period and later compare this with the actual expenditure. Any surplus or deficit is dealt with in accordance with the relevant agreement and applicable legal requirements.

5.3 Fixed service charge

A fixed service charge is set and reviewed in accordance with the tenancy or other occupancy agreement but is not reconciled to actual expenditure at the end of the charging period in the same way as a variable charge.

Any surplus or shortfall therefore normally remains with us unless the relevant agreement provides otherwise.

5.4 Reserve or sinking fund

A reserve or sinking fund is money collected in advance, where the lease permits, to contribute towards future major works, replacement, renewal or other specified expenditure.

These funds are held, accounted for and used in accordance with the relevant lease and applicable legal requirements.

5.5 Administration or management charge

An administration or management charge is a charge towards the reasonable cost of arranging, managing, administering, accounting for or otherwise providing chargeable services where the relevant tenancy, lease or other occupancy agreement permits us to recover those costs.

6.0 Our service charge principles

We will manage service charges in a way that is fair, consistent, transparent and financially responsible.

- **Authority** – we will establish that the relevant tenancy, lease or other occupancy agreement allows us to recover a cost before charging it.
- **Accuracy** – we will use reliable information and appropriate checks when setting, allocating and reconciling charges.
- **Reasonableness** – where statutory reasonableness requirements apply, costs and standards will be considered against those requirements.
- **Transparency** – residents will receive clear information about the services they pay for and their scheme-specific charges.
- **Cost recovery** – service charges are intended to recover the reasonable costs of providing and managing chargeable services. We do not use service charges to generate a profit.
- **Value for money** – we will seek an appropriate balance between quality, cost, safety, resident outcomes and long-term value.
- **No double recovery** – we will take reasonable steps to ensure the same cost is not recovered twice through rent, service charges, support charges, personal charges or another fee.
- **Affordability** – we will consider the effect of charges and increases on residents while recognising our responsibility to recover legitimate costs and maintain safe, good-quality services.
- **Evidence** – we will maintain proportionate evidence that chargeable services have been delivered and costs incurred.
- **Learning** – where an error or recurring problem is identified, we will correct it and consider whether other residents or schemes may also be affected.

Residents should receive the service they are paying for.

7.0 Contractual authority and recoverability

Before introducing a new charge, materially changing the basis of a charge or recovering a new type of cost, we will establish:

- what the relevant agreement allows us to charge for;
- whether the cost falls within that authority;
- whether the agreement specifies how the cost must be apportioned;
- whether consultation, notice or other procedural requirements apply;
- whether any statutory restriction or reasonableness test applies; and
- whether the charge is correctly allocated between rent, service charge, support, personal services or another cost category.

A service being necessary for health, safety or regulatory compliance does not by itself mean its cost can automatically be recovered through a service charge. We will separately consider our duty to provide the service and our authority to charge residents for it.

8.0 Services we may charge for

The services provided differ between schemes. Subject to the relevant agreement, examples may include:

- communal cleaning and window cleaning;
- grounds and communal-area maintenance;
- communal lighting, heating and water;
- lifts, door-entry systems, communal alarms, aerials and other shared equipment;
- waste and refuse services;
- contracts for servicing, inspection and maintenance of communal systems;
- relevant health and safety services and compliance activity where recoverable;
- costs associated with eligible communal facilities, where the relevant agreement permits;
- eligible scheme-based staffing costs associated with the provision or management of chargeable housing services, where recoverable under the relevant agreement. Personal care and support costs will not normally form part of a housing service charge. Where any staffing or support-related cost is proposed for recovery, we will establish a clear contractual and lawful basis and ensure that the cost is appropriately apportioned;
- insurance, repairs and major works for leaseholders and shared owners where the lease permits;
- reserve or sinking fund contributions where permitted by the lease; and
- reasonable management or administration costs where recoverable.

The fact that a service appears in this list does not create a right to charge. The relevant agreement and applicable law will always determine recoverability.

9.0 Setting budgets and charges

We aim to set service charges using the best information reasonably available at the time. Estimates should reflect the expected cost of providing the relevant services during the charging period.

When preparing a budget we may consider current contracts, known expenditure, planned changes, inflation, utilities, staffing, statutory requirements, procurement outcomes, service specifications and relevant historical costs.

We will identify material assumptions and unusual changes so they can be understood and challenged internally before charges are approved.

9.1 Social rent service charges and affordability

For Social Rent properties, we will apply the service charge expectations set out in the Government's Policy Statement on Rents for Social Housing. We will set reasonable and transparent service charges, identify them separately from rent and provide clear information about how they are set.

We will endeavour to keep increases in service charges within CPI at September of the preceding year plus one percentage point. This is an expectation rather than an absolute cap. Where an increase above this level is considered necessary, it must be supported by a clear rationale, reflect legitimate service costs and be subject to appropriate internal scrutiny.

The Board approves Social Rent service charges. Where a proposed increase exceeds the Government's CPI+1 expectation, the information presented for approval will include the reasons for the increase and the main cost drivers.

Significant increases will be explained to affected residents in plain language, including the main reasons for the change.

9.2 New or extended services

Where a new or extended service is proposed and an additional charge may result, we will establish contractual authority and consult affected residents where required by law, regulation or the relevant agreement.

10.0 Apportionment

We will first identify who receives or has access to the service, then identify who is contractually liable to contribute, and then apply the apportionment method required or permitted by the agreement.

We will allocate service costs only to the properties or residents who are liable to contribute under the relevant agreement.

Where a lease or tenancy specifies an apportionment method, we will use it. Where an agreement gives us discretion, we will use a documented method that is reasonable, consistent with the agreement and appropriate to the service.

Depending on the agreement and service, this may include equal shares, floor area, property type, block or estate allocation, service area, usage or another reasonable basis.

A resident may be required to contribute to a communal service even if they do not personally use it, where the agreement makes them liable for a share of that service.

We will maintain scheme-level records showing the charging basis and apportionment methodology so that calculations can be checked and explained.

11.0 Management and administration costs

Managing services creates legitimate costs, but management and administration charges must be transparent and properly controlled.

We will only recover management or administration costs where the relevant agreement permits this. Our methodology will be documented, consistently applied and reviewed periodically.

Depending on the agreement, recoverable activity may include procurement and tendering, contract management, checking and paying invoices, service monitoring, calculating and accounting for service charges, responding to service charge enquiries and other directly relevant administration.

We will distinguish the cost of managing chargeable services from general housing management, support, sales, lettings and other organisational activity. Where staff or overheads support more than one activity, we will use a documented and reasonable allocation method.

We will take reasonable steps to prevent cross-subsidy and double recovery.

As the Leasehold and Freehold Reform Act 2024 transparency provisions are commenced, we will implement any requirements relating to administration-charge schedules and prescribed information.

12.0 Fixed service charges

We generally use fixed service charges for rented tenancies where the tenancy agreement provides for this, although the individual agreement must always be checked.

Fixed charges are reviewed in accordance with the tenancy agreement. They are not normally reconciled to actual expenditure at year end, so a surplus or shortfall does not automatically result in a refund or additional demand.

Although the statutory variable service charge framework does not generally apply to fixed charges, transparency remains important. We will provide residents with scheme-specific information showing the service charge elements applying to their home and explaining significant changes.

Where a tenancy requires consultation or notification before a fixed charge or service changes, we will follow those requirements.

13.0 Variable service charges and year-end accounts

Variable service charges are normally based on estimated expenditure followed by a comparison with actual costs after the accounting period ends.

We will maintain records supporting the costs charged and provide statements, summaries, certificates, notices and access to supporting information in accordance with the relevant lease and applicable legislation.

Where a surplus or deficit arises, we will deal with it in the way required by the lease or other agreement and applicable law.

We will manage the statutory time limits that affect recovery of variable service charge expenditure, including the 18-month rule under section 20B of the Landlord and Tenant Act 1985.

Statutory rights to summaries, inspection and supporting information will be administered in accordance with the law in force at the relevant time. As the Leasehold and Freehold Reform Act 2024 reforms are commenced, we will update our demands, accounts, reports and information processes accordingly.

14.0 Reserve funds, sinking funds and lifecycle charges

14.1 Leaseholders and shared owners

Where a lease permits a reserve or sinking fund, contributions may be collected to help meet future major works, replacement or renewal costs and reduce significant fluctuations in charges.

We will base contributions on reasonable information about expected works, component lifecycles, condition, projected costs and inflation. We will review these assumptions periodically and take account of significant changes.

Reserve and sinking funds will be held, accounted for and used in accordance with the relevant lease and applicable statutory requirements. Money will only be used for purposes permitted by the lease.

We will keep appropriate records of contributions, expenditure and balances attributable to each relevant scheme or fund.

We will provide residents with information about reserve or sinking fund contributions and balances where required by the lease, legislation or our published service charge arrangements.

Whether a balance can be refunded, transferred, retained or applied against future expenditure will depend on the lease and applicable law. We will not apply a blanket rule that overrides those requirements.

14.2 Rented homes

We will not describe tenant contributions as a sinking fund where they are not legally or contractually a sinking fund.

Where a tenancy permits a lifecycle, depreciation or similar charge for communal facilities, we will document the contractual authority, calculation method, intended use and accounting treatment.

We will take particular care to avoid recovering through a service charge costs that should properly be met from rent or another source.

Where funds or prepayments are tracked for a particular scheme, asset or service, we will maintain sufficient records to explain how amounts have been calculated and applied.

15.0 Affordable Rent

Affordable Rent is managed in accordance with the Rent Standard and Government Rent Policy Statement where these apply.

Initial Affordable Rent will be set in accordance with the requirements in force at the time, including the applicable limit on gross market rent. Gross rent includes applicable service charges.

We will maintain sufficient internal information to understand the service costs associated with Affordable Rent homes, even where those costs are not presented to the resident as a separate additional service charge.

For specialist housing, we will use appropriate evidence and comparables that reflect the nature of the accommodation and services provided.

16.0 Housing Benefit and Universal Credit

Some service charge elements may be eligible for Housing Benefit or the housing costs element of Universal Credit. Eligibility is governed by benefits legislation and guidance and is not the same as contractual recoverability.

We will identify and communicate eligible and ineligible elements where appropriate, using current guidance. Where a charge includes both eligible and ineligible activity, we will use a reasonable and transparent apportionment.

The final decision about benefit entitlement rests with the relevant decision-making authority.

17.0 Service delivery, monitoring and evidence

Residents should be able to expect that chargeable services are actually delivered to the required standard.

We will maintain proportionate evidence of service delivery. Depending on the service, this may include:

- contracts and service specifications;
- invoices and payment records;
- inspection and monitoring records;
- attendance or visit records;
- photographs or other evidence of completed work;
- statutory certificates and servicing records;

- resident feedback and complaints; and
- contractor performance information.

Relevant teams will monitor the quality and frequency of communal and scheme-based services. Where a resident raises a concern about a service they are paying for, we will investigate both the service delivered and, where relevant, the associated charging information.

A temporary interruption does not automatically create a right to a refund, credit or adjustment. Any request for an adjustment will be considered having regard to the relevant agreement, charging regime, costs actually incurred, duration and impact of the interruption, service delivered and applicable law.

18.0 Value for money and procurement

Value for money is about more than choosing the lowest price. We will consider quality, safety, reliability, resident outcomes, whole-life cost and affordability. Resident feedback about service quality will form part of our assessment of value for money where appropriate.

Contracts and purchasing will follow our Procurement Policy and relevant financial controls. We will review material contracts and service performance to understand whether they continue to provide appropriate quality and value.

Where residents have a statutory or contractual right to be consulted about qualifying works or long-term agreements, that process will be followed.

We will use benchmarking where it is proportionate and meaningful, recognising the specialist nature of many of our schemes and services.

19.0 Consultation and resident influence

We believe residents should have meaningful opportunities to influence the services they receive.

We will consult where required by legislation or an occupancy agreement and will also engage residents where significant changes to communal services, standards or costs are proposed.

Consultation does not always mean that every resident will agree with the final decision. We will consider the views received alongside legal duties, safety, service quality, affordability, value for money and the needs of current and future residents.

Where appropriate, we will explain the decision reached and how resident feedback was taken into account.

Where a change is necessary to meet a legal, safety or regulatory requirement, we may still need to proceed, but we will explain why and listen to residents about how the change is implemented.

20.0 Section 20 consultation

Where variable service charges are subject to the statutory consultation requirements in section 20 of the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) Regulations 2003, we will follow the prescribed process.

This includes qualifying works and qualifying long-term agreements where the statutory thresholds are met. The detailed notices, stages, thresholds and procurement requirements are set out in our Service Charge and Section 20 procedures so that they can be updated when legislation changes.

Where consultation is required, we will provide affected residents with the relevant notices and opportunities to make observations and, where applicable, nominate a contractor. We will consider observations received and respond where required by the statutory process.

We will aim to identify Section 20 requirements at an early stage when planning qualifying works, procurement and long-term agreements so that consultation can be properly built into the process.

Where urgent or exceptional circumstances make full consultation impracticable, we will consider whether an application to the First-tier Tribunal for dispensation from all or part of the consultation requirements is appropriate.

Failure to comply with the statutory consultation requirements may limit the amount we are able to recover from residents unless the First-tier Tribunal grants dispensation.

We will communicate clearly with affected residents about significant works, anticipated costs and the consultation process. Where appropriate, we will also explain the relationship between proposed expenditure, any available reserve or sinking fund and the amount residents may be required to contribute.

Government has announced further reform of leasehold service charges and major works arrangements. We will implement relevant changes when the applicable legislation and regulations come into force.

21.0 Information, transparency and resident understanding

Clear information helps residents understand their charges and hold us to account.

Providing information is not enough if it cannot be understood. We will therefore aim to explain service charges in clear, accessible language and provide scheme-specific information showing the elements that apply to a resident's home.

Depending on tenure and charging method, this may include:

- the services being charged for;
- the amount of each charge;
- the basis of apportionment where appropriate;
- whether the charge is fixed or variable;
- significant changes from the previous charging period;
- estimated and actual expenditure where applicable;
- reserve or sinking fund information where applicable; and

- information about benefit eligibility where appropriate.

We will provide statutory summaries, notices and supporting information where required.

21.1 STAIRs

We will comply with the Social Tenant Access to Information Requirements (STAIRs) for residents and information within their statutory scope.

From 1 October 2026, we will comply with the publication requirements introduced through the revised Transparency, Influence and Accountability Standard.

From 1 April 2027, we will comply with the individual information-request requirements.

We will organise and retain relevant service charge information so that it can be located, reviewed and disclosed where required, subject to lawful exemptions and data protection requirements.

We will also use the principles of openness and accessibility reflected in STAIRs to inform our wider approach to service charge information where appropriate.

21.2 Leasehold reform

The Leasehold and Freehold Reform Act 2024 provides for further standardisation and transparency as relevant provisions are commenced.

We will prepare for and implement applicable requirements as they are commenced, including standardised service charge information and demands, accounts, future-demand information, administration-charge information and enhanced rights to supporting information.

Until relevant provisions are commenced, we will continue to comply with the statutory requirements currently in force.

22.0 Service charge enquiries

Residents do not need to make a complaint simply to ask us to explain a service charge.

We will respond to service charge enquiries clearly and consistently, involving the appropriate Housing, Finance, Property or other colleagues where necessary.

We will acknowledge and respond to service charge enquiries within our published service standards and keep residents informed where a full response requires information from another team or organisation.

We will aim to explain:

- what the charge is for;
- why the resident is liable to pay it;
- how the amount was calculated or apportioned;
- what information supports the charge;
- what service standard applies where relevant; and
- what options are available if the resident remains dissatisfied.

Where the information needed is held by a contractor, managing agent, superior landlord or another third party, we will take reasonable steps to obtain it rather than simply referring the resident elsewhere.

If an enquiry includes an expression of dissatisfaction about our service, action or lack of action, we will give the resident the opportunity to have it handled as a complaint in accordance with our Complaints and Learning Policy.

23.0 Complaints, disputes and the First-tier Tribunal

We will not refuse to investigate a complaint simply because it concerns a service charge.

Our complaints process can consider matters such as delay, communication, calculation or administrative errors, failure to provide information, service standards, record keeping, failure to follow policy, management of contractors or third parties, and our handling of a resident's enquiry.

Some matters, including the legal liability to pay certain variable service charges or the reasonableness of the amount, may be matters for the First-tier Tribunal (Property Chamber) or a court. Where this applies, we will explain the relevant route clearly.

The existence of a Tribunal route does not prevent us from considering the parts of a complaint that concern our own service, administration, communication or complaint handling.

Complaints will be handled in accordance with our Complaints and Learning Policy and the Housing Ombudsman's statutory Complaint Handling Code.

24.0 Errors, refunds and remediation

Where we identify an error, we will act promptly to understand its cause and put it right in accordance with the relevant agreement and law.

This may include correcting records, recalculating a charge, issuing a credit or refund, making an additional lawful demand, providing an explanation or improving a process.

Where an error may affect other residents or schemes, we will consider whether a wider review is needed rather than waiting for each resident to raise the same issue.

Learning from material errors, complaints and disputes will be shared through the appropriate governance and service-improvement arrangements.

25.0 Affordability and resident support

We recognise that service charges form part of the overall cost of a resident's home and that increases can cause concern.

We will consider affordability when designing services and setting charges, while recognising our duties to maintain safe homes and recover legitimate costs.

Where a resident is experiencing difficulty paying, we will provide or signpost appropriate income, benefits and debt support in line with our Income Management arrangements.

We will communicate significant increases as clearly and as early as reasonably possible so residents can understand the reasons and seek support if needed.

26.0 Equality, accessibility and diverse needs

We want everyone to be able to understand information about their home and charges.

We will make reasonable adjustments and provide information in accessible formats where needed. This may include larger print, alternative formats, translation, interpretation or support from a colleague.

We welcome residents involving a family member, advocate or representative where this helps them understand or challenge their service charge, subject to appropriate consent and information-governance requirements.

We will consider equality and accessibility when changing services, consultation arrangements or communication methods, reflecting our Inclusive Service Delivery approach.

27.0 New developments and service charge design

Service charge affordability begins before a new scheme opens.

We will prepare indicative service charge information during the design and development process, using specifications, quotations, known contractual requirements and comparable schemes where appropriate.

We will consider the whole-life cost of communal facilities and the effect that design decisions may have on future residents' charges.

Where projected charges appear disproportionately high, we will consider whether design, specification or service arrangements can be changed without compromising safety, quality, accessibility or the purpose of the scheme.

Before first occupation, estimates will be reviewed using the best current information available and communicated clearly to prospective residents.

28.0 Governance, assurance and performance

Service charges involve resident trust, legal compliance and significant financial information. We therefore use both operational checks and governance oversight.

Service charge income and expenditure will be monitored during the year. Material variances, recurring deficits, unusual increases and control issues will be investigated.

We will maintain scheme-level charging records so that key contractual and calculation decisions can be evidenced.

We will undertake proportionate annual assurance over the service charge process. This may include sample testing of:

- contractual authority;
- service and cost coding;
- apportionment;
- management and overhead allocations;
- invoices and supporting evidence;
- service-delivery records;
- consultation and statutory notices;
- year-end reconciliations and statements;
- resident communications; and
- implementation of previous audit or complaint learning.

Material findings and actions will be reported through the appropriate management and governance route, including the Audit and Compliance Sub-committee where relevant.

We will use data, resident feedback, complaints and lived experience to understand whether the policy is delivering fair and transparent outcomes, not simply whether calculations have been completed.

29.0 Roles and responsibilities

Role	Responsibility
Board	Approves Social Rent service charges in accordance with our governance arrangements and provides strategic oversight of affordability and significant service charge changes.
Audit and Compliance Sub-committee	Provides assurance over compliance, controls, risk, audit findings and material service-charge issues.
Director of Operations	Ensures appropriate resources, governance and cross-organisational ownership of the service charge framework.
Finance	Supports budgeting, accounting, reconciliations, financial controls, coding, reporting and assurance.
Housing and Support	Supports resident communication, consultation, enquiries, affordability and scheme-level service understanding.

Property and Maintenance	Procures and monitors relevant services and contracts, maintains delivery evidence and manages applicable consultation for works.
Development	Considers future service charge affordability and whole-life costs when designing and bringing new schemes into management.
Service owners / budget holders	Ensure costs are accurate, supported, appropriately coded and linked to the services delivered.
All colleagues involved in service charges	Maintain accurate records, follow this policy and supporting procedures, explain information clearly and escalate uncertainty or errors.

30.0 Risk management

Risk	Responsible	Key control	Assurance
Charging without contractual authority	Housing / Finance	Scheme-level agreement and charging matrix; pre-charge checks.	Annual sample assurance.
Incorrect apportionment or coding	Finance / Service owner	Documented methodology, coding controls and review.	Budget and year-end checks.
Poor or unevidenced service delivery	Service owner / Property	Specifications, inspections and performance records.	Resident feedback and contract monitoring.
Failure to meet statutory consultation or information duties	Property / Housing / Finance	Procedure, templates, diary controls and specialist advice where needed.	Compliance review and exception reporting.
Unreasonable or unexplained increases	Budget holder / EMT	Variance review, CPI+1 scrutiny for social rent service charges, resident explanation.	Annual budget approval and governance reporting.

Poor handling of enquiries or complaints	Housing / relevant service	Clear ownership, Complaint Handling Code and cross-team responses.	Complaint learning and Ombudsman review.
Third-party charges not adequately challenged	Housing / Finance / Property	Obtain supporting information and challenge where appropriate.	Case review and information-request records.
Double recovery or cross-subsidy	Finance	Documented staff/overhead allocation and separation of rent, service, support and personal costs.	Annual assurance and audit testing.
Failure to implement legislative/regulatory change	Director of Operations	Legal/regulatory horizon scanning, named owner, implementation plan and procedure/template review.	Periodic reporting to Audit & Compliance.

31.0 Training and competence

Colleagues involved in service charges will receive training and guidance appropriate to their role.

This includes understanding the importance of contractual terms, accurate records, clear communication, resident enquiries, complaints, consultation requirements and the distinction between service charge, rent, support and personal costs.

Where specialist legal, accounting or technical advice is needed, colleagues should seek it rather than make assumptions.

32.0 Review

This policy will be reviewed at least every three years, or earlier where there is a significant change in legislation, regulation, Ombudsman expectations, our services or organisational learning.

Because the service charge framework is changing, supporting procedures and templates may be updated more frequently to reflect commencement of the Leasehold and Freehold Reform Act 2024, STAIRs and other relevant requirements.

Material policy changes will be approved through our governance arrangements and communicated to colleagues and residents where appropriate.

33.0 Our Commitment

Service charges help us provide many of the shared services that make our schemes safe, welcoming and good places to live.

We will manage them with care, integrity and openness. We will explain what residents are paying for, seek value for money, listen when something does not look right and learn when we can improve.

In doing so, we put People, Places and Partnerships into practice: supporting residents, caring for our homes and shared spaces, and working together to deliver services that are fair, transparent and sustainable.
