

RENTING TENANTS SERVICE CHARGES POLICY

Statement of Purpose

This policy outlines the Sentinel's commitment to providing an efficient, effective and customer focused service for Service Charges for tenants in general needs, hostel and sheltered accommodation.

Our Policy

Definition of Service

1. A service is considered to be the provision of any additional facilities to tenants that are not covered by standard tenancy management. This includes, for example, servicing of lifts, grounds maintenance, communal cleaning and utilities and will be detailed in the tenancy agreement.
2. A service charge is an amount payable to cover the cost of services and is in addition to the rent. The service charge for the year ahead for general needs, hostel and sheltered tenants is estimated based on the full actual cost for the last complete financial year. For example, the service charge levied in 2007/08 is based on costs incurred in 2005/06. This methodology has been adopted to reduce further workload in this area. In future it may be amended after consultation.

Service Delivery

3. Sentinel commits to ensuring that the Service Charge function is administered in a way that is customer focused and fair and equitable.

Service Promise

4. We promise to:
 - Provide the essential services supporting the management of accommodation.
 - Supply the level of service deemed appropriate by customers, following consultation, for non-essential services, which may enhance the security and quality of life of its residents.
 - Ensure a high quality of service which gives value for money.
 - Guarantee proper accounting for service charges.
 - Work in partnership with statutory agencies, local authorities, other Registered Social Landlords and stakeholders.

Administration Charge

5. An administration fee of 15% is added to the direct cost (inclusive of VAT) to cover the cost of services provided by Sentinel.
6. An administrative fee of 5% is added to the management company cost (inclusive of VAT) where a management company provides services.

Information for Residents

7. At the start of a tenancy the tenant will be given a schedule detailing the services provided to their property. This schedule will also show the current costs of those services. In exceptional cases, tenants in sheltered schemes will be able to opt out of certain services with the express agreement of the Care and Support Manager.
8. Changes to service charges will be effective in April of each year and tenants will be

notified of the new charges with their rent increase letter each February.

Payment and Arrears

9. Payments for Service Charges will be collected with the rent and will, as appropriate, be eligible for housing benefit or supporting people grant.
10. Arrears will be collected in line with our Arrears Policy and Procedures.
11. Money received will be allocated to service charges before rent.

Disputes

11. A tenant who disputes any aspect of the service charge should raise the issue immediately and will have a right of appeal through our standard complaints procedure.

Approval Stages

Chief Executive Sign off:

Date:

Finance Director Sign off:

Date:

Policy and Strategic Initiative Officer:
Implementation Date:

RENTING TENANTS SERVICE CHARGE POLICY SUMMARY

Changes from previous version

This is a first generation policy

Regulation & Legislation

This policy is linked to the following regulation and legislation: Landlord and Tenants Act 1985, Landlords and Tenants Act 1987, The Leasehold Reform, Housing and Urban Development 1993, The Housing Act 1996, The Commonhold and Leasehold Reform Act 2002

Equality & Diversity Impact

The association is committed to meeting the needs and aspirations of customers and communities in a fair, respectful, and proportionate manner. Our approach to diversity and equality is to promote inclusiveness by recognising that anyone, regardless of origin or background, can make a positive difference in the achievement of the organisation's vision and in the wider society.

We will comply with best practice from legal, regulatory and inspection requirements. Codes of Practice and other guidance will be used appropriately to ensure progress on diversity.

Financial Impact Assessment

We will strive for increased income from new tenancies and developments, and the ability to match income to expenditure. There is a potential loss of income where policy and procedure not followed correctly.

Risk Assessment

To ensure compliance with all current leaseholder legislation in order to mitigate the risk of disputes involving Service Charges being taken to Leaseholders Valuation Tribunal.

Monitoring and Review

This policy will be reviewed at least every 3 years.

Consultation

The stakeholders below have been consulted on the following dates:

Executive Consultation: 3rd December 2007

Basingstoke and Deane Borough Council: 25th January 2008

Rushmoor Borough Council: 25th January 2008

Surrey Heath Council: 25th January 2008

Hart Borough Council: 25th January 2008

Oakfern Residents Forum: 9th January 2008

Hart Residents Federation: 8th January 2008

