



EDEN HOUSING ASSOCIATION LIMITED

SERVICE CHARGE POLICY

Document Reference Number:	FIN11
Document Owner:	Director of Finance & Corporate Services
Approved By:	Board
Approved Date:	18 March 2025
Policy Implementation Date:	15 May 2025
Review Cycle	3 years

This policy applies to Eden Housing Association and all its wholly owned subsidiaries, including Mitre Housing Association

1. POLICY STATEMENT

- 1.1 This policy is intended to outline the process for setting and managing service charges.
- 1.2 Service charges are levied for additional services that EHA provide to residents that are in addition to our normal landlord services, and which are not included within rent.
- 1.3 We may provide these services as they are necessary for good housing management, are required as part of our legal and regulatory obligations as the landlord, or they may be the result of customer consultation, all of which should provide good value for money.
- 1.4 The policy sets out how the full cost of providing these additional services (including VAT) must be recovered from our residents in order for EHA to remain in a strong financial position.
- 1.5 This policy should be read in conjunction with the rent policy which sets out the principles by which the association approaches rent setting and rent reviews for its residents.

2. REFERENCES

2.1 Internal

- Rent policy
- Complaints Policy
- Arrears Recovery Policy

2.2 External

- Landlord and Tenant Act 1985 (as amended): section 18-30
- Landlord and Tenant Act 1985 (as amended): other relevant provisions
- Social Landlords Mandatory Reduction of Service Charges (England) Directions 2014
- Commonhold and Leasehold Reform Act 2002

3. POLICY CONTENT

- 3.1 A service charge is a payment made by a resident, leaseholder, shared owner or freeholder towards the costs of providing and maintaining services and benefits beyond that of enjoying occupation of their home. For example, a lift in a block of flats is a service that should be covered by a service charge because it is available to all residents and is situated outside their homes.
- 3.2 Service charges can be fixed or variable and usually EHA have fixed service charges for rented properties and variable service charges for leasehold properties, with the exception of Heysham Gardens which is a mixed tenure scheme with variable service charges.

4. TYPES OF SERVICE CHARGE

- 4.1 There are two types of service charge that are levied by Eden Housing Association; variable and fixed service charges.
- 4.2 For variable service charges, the charge for the service is estimated at the start of an accounting period and then at the end of a year the actual cost is compared to the estimate. The charge for the next year is then adjusted by the difference between the actual cost and the estimated charge. Variable service charges are generally levied where a building or dwelling is occupied by leaseholders.
- 4.3 For fixed service charges, the charge is calculated at the start of an accounting period and no adjustment is made at the end of a year for any difference between this and the actual cost of the service. Fixed service charges are applied where sites are occupied solely by tenants of the Association on the basis of efficiency.
- 4.4 The type of service charge being applied will be clearly set out to residents, and in all cases compliance with relevant law will be the overriding priority.

5. CONSULTATION

- 5.1 Proposed changes to the services provided and included within service charges will be consulted upon with residents who will be affected. We will give due regard to all observations received prior to implementing new/amended charges.
- 5.2 We will carry out Statutory Consultation as required by section 20 of the Landlord and Tenant Act 1985 when the cost of services or works make it appropriate to do so.

6. SERVICES

- 6.1 Details of all services provided to a property will be provided annually at each review of the charge, and at the start of a tenancy.
- 6.2 Where residents live in a property which is part of a block, an estate or group of properties which enjoys an additional service, their property will be considered to benefit from the provision of the service and will be included in the calculation of the service charge. The charge will apply if the property benefits from the service and is not dependent on the residents making use of the service.
- 6.3 Charges will be apportioned reasonably across the number of properties in the block or estate that benefit from that service.
- 6.4 Where a Variable Service Charge is levied, we will provide annual accounts within six months of the end of the financial year. Any surplus or deficit will then be allowed within the following financial years' Service Charge estimate.
- 6.5 We will include a management fee to cover our costs and overheads associated with managing and accounting for services.

- 6.6 We will follow our Complaints Policy in the first instance when dealing with Service Charge disputes
- 6.7 We will follow our Arrears Recovery Policy when dealing with arrears of service charges

7. RESPONSIBILITIES

- 7.1 The **Board** is responsible for:
- approval of this policy
- 7.2 The **Director of Finance & Corporate Resources** is responsible for:
- ensuring periodic reviews of this policy take place
 - ensuring the implementation of the policy
- 7.3 The **Management Accountant** is responsible for:
- ensuring charges are calculated in line with this policy
 - ensuring annual accounts are provided where variable service charges are levied
 - carrying out appropriate consultation
- 7.4 The **Supported Housing Manager** is responsible for:
- carrying out appropriate consultation within Housing Schemes

8. EQUALITY IMPACT ASSESSMENT AND ENGAGEMENT IMPACT ASSESSMENT

- 8.1 An EIA has been completed in order to assess whether any protected groups listed under the Equality Act 2010 have been discriminated against or disadvantaged as a result of this policy (see Appendix 1).
- 8.2 An Engagement Impact Assessment has been completed to determine the level of impact this policy has on tenants, as well as the influence tenants have on the delivery of the policy (see Appendix 2).

9. MONITORING & REVIEW

- 9.1 The Service Charge Policy and Procedures will be reviewed every three years or following any changes to service charge legislation.

Equality Impact Assessment

Question	Response
1. Name of the policy/practice/activity being assessed	Service charge policy
2. Summary of aims and objectives of the policy/practice/activity	To ensure service costs are recovered where appropriate
3. What involvement, consultation, engagement has taken place for the policy/practice/activity (e.g relevant groups/stakeholders)	Board consultation and review of policy
4. Who is affected by the policy/practice/activity	All EHA customers who receive an applicable service
5. What are the arrangements for monitoring and reviewing the impact of the policy/practice/activity	3-year review cycle

Protected Group	Is there a potential for a positive or negative impact	Explain and provide evidence/data used	Action to address the negative impact
Disability	No		
Gender reassignment	No		
Marriage or civil partnership	No		
Pregnancy or maternity	No		
Race	No		
Religion or belief	No		
Sexual orientation	No		
Sex (gender)	No		
Age	No		

Evaluation

Question	Explanation	
Is it possible the proposed policy/practice/activity could discriminate or unfairly disadvantage people	No	
Decision	Tick the relevant box	Include any justification required
1. No barriers identified – proceed	x	
2. Barriers identified towards one (or more) protected groups – stop		
3. Barriers identified towards one (or more) protected groups – adapt or change the policy/practice/activity		
4. Barriers identified towards one (or more) protected groups – no proportionate way to amend the policy/practice/activity so proceed with caution		

Completed by – and date	Julia Monkhouse 7.3.2025		
Reviewed by – and date	Guy Johnson 12.03.25		
Review Date (if applicable)			
Will this EIA be published?	Yes	No	Not Required

Action (To be completed as required)

If the Evaluation has resulted in Decision 4, complete a risk assessment and record on Operational Risk Register	Date Completed: N/A
--	---------------------

Change Log

Name	Date	Version	Change
	When published	1	

**Policy / Procedure / Strategy drafting / review
Engagement Assessment**

Tenant Engagement Assessment– is engagement with tenants necessary?

Policy Name	SERVICE CHARGE POLICY
--------------------	------------------------------

Impact	Tick relevant box	Note any details / justification
No Impact on current tenants – you can proceed without engagement.		
Direct or indirect impact on current tenants. Stop! Identify who will be affected i.e. all tenants or a specific group	YES	All tenants receiving an applicable service

Influence	Tick relevant box	Note any details / justification
No influence for tenants – i.e. wholly legislative – you can proceed without engagement.	NO	We acknowledge that the majority of the policy is implemented following regulatory guidance. Areas deemed 'discretionary' are dictated by budgets and the Association's FBP, as opposed to customer influence – The Association would not be able to change this during any form of consultation.
Possible influence on areas of policy/ practice/ activity impacting on tenants – stop. Arrange engagement with EIO	YES	There are some general needs services that are not currently being re-charged – this forms a separate scrutiny report already produced. In practice, consultation currently takes places annually with sheltered scheme residents who currently receive the services in line with current legislation.

Completed by – and date	Julia Monkhouse 7.1.25 January 22 supported by EIO		
Reviewed by – and date			
Review Date (if applicable)			

Will this assessment be published?	Completed assessments will be appended to each policy document. Any public related policies will be uploaded to the EHA website
---	---

Summary of engagement (To be completed as required)

Tenant group impacted and engaged (i.e. all/ sheltered)	
Consultation method	
Summary of engagement	
Key themes/ implications	