

Service Charge Setting Policy

Purpose:	To establish DPHA's policy and set out our position on the setting of Service Charges
Review Date:	October 2021
Guidance:	Housing (Scotland) Act 1987 1988, 2001 Data Protection Act 1998 and 2003 General Data Protection Regulations 2016 (GDPR) Equality Act 2010 Human Rights Act 1998 Welfare Reform Act 2012 Scottish Housing Charter DPHA Scottish Secure Tenancy Agreement
Regulatory Standards:	1. The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users. 2. The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities. 3. The RSL manages its resources to ensure its financial well-being and economic effectiveness. 4. The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
Date reviewed by Policy Review Working Group (PRWG):	20 February 2019
Date approved by Management Committee (or PRWG if delegated):	16 October 2019
Amendments	PRWG 20.02.2019

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1.0 INTRODUCTION

- 1.1 In addition to the basic rent charged the Association provides a range of services that are integral to the property. All services provided are contained within the tenancy agreement placing the provision of these services on a contractual basis.
- 1.2 Charges for each service provided by the Association will be included within the gross rent charged to the Association's tenants. The charges for services to owners and sharing owners will be billed within the common charges account.

2.0 AIMS OF THE POLICY

- 2.1 The overall aim of the Service Charge Setting policy is to ensure that direct costs incurred by DPRA in providing the services are recharged to customers in an effective manner.

3.0 LEGAL AND REGULATORY REQUIREMENTS

- 3.1 This policy will comply with all legislative, regulatory and good practice requirements which includes the following:

3.1.1 Legislation:

- Housing (Scotland) Act 1987 1988, 2001
- Data Protection Act 1998 and 2003
- General Data Protection Regulations 2016 (GDPR)
- Equality Act 2010
- Human Rights Act 1998
- Welfare Reform Act 2012

3.1.2 Scottish Social Housing Charter 2017:

The following outcomes under the Charter that are especially relevant to our service charge policy, these are:

Outcome 13: Value for Money

Social Landlords manage all aspects of their business so that:

- Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

Outcomes 14 and 15: Rents and Service Charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- A balance is struck between the level of services provided, the cost of services, and how far current and prospective tenants and service users can afford them

- Tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.

4.0 SERVICE CHARGE CATEGORIES

4.1 The Association provides the following services:

Service	Scope	How Cost is Recharged
TV Aerial Maintenance	Common TV Aerial repairs	Repair costs plus 10 % admin fee
Door Entry Systems	Repair to common Door Entry systems	Repair costs plus 10 % admin fee
Communal Fans	Annual servicing costs	Contract costs plus 10% admin fee
Grounds Maintenance	Back court maintenance Maintenance of all shrubbed areas Maintenance of hard landscaped areas Litter picking	Grounds maintenance contract plus 10% of admin costs
Stair Cleaning	Cleaning of common stairs Cleaning of common windows Cleaning of common bin stores	Stair cleaning contract plus 10% admin fee
Estate Lighting	Cost of energy to supply common stair lighting Cost of replacement bulbs	Combined energy supplier and replacement bulb costs plus 10% admin fee
Housing Support (Sheltered Housing)	Provision of Housing Support to our two Sheltered complexes	Staff costs Common room and laundry costs Warden call system costs plus 10% admin fee

5.0 NEW SERVICES

- 5.1 From time to time new services may be added these will be charged through the rent. New services will only be added through extensive tenant consultation, and approval by Management Committee. Secure tenants whose rent is still set by the Rent Officer require to have their rent registered with Rent Service Scotland every 3 years, although the Association is allowed to vary the service charge element within limited parameters.

6.0 SETTING THE SERVICE CHARGES

- 6.1 All service provided on a contractual basis will be procured in accordance with our procurement policy, this will normally be on a three year cycle.
- 6.2 The direct cost of each service, including staff costs, will be analysed and a report prepared for approval by the Management Committee by the Finance Agent in November each year as part of the budget setting process. A further report will be prepared by the Housing Manger to be presented to the Management Committee meeting in January each year as part of the rent and service charge review.
- 6.3 In reviewing our service charges, we undertake a thorough analysis of service charge expenditure, based on the previous full year's costs plus a 10% administration charge. For example, for the charges we set for the year 2019/20 we take the actual costs from 2017/18 and charge them to customers on a pro rata basis by the number of customers who receive each charge.
- 6.4 Service charge expenditure will be monitored on a monthly basis by the Finance Agent and this will form part of the management accounts report present to the Management Committee quarterly.
- 6.5 Service charge income collected is managed through our Income, Arrears and Debt Management policy. This is monitored monthly and reported to management Committee quarterly in our performance report.

7.0 OPTING OUT

The services we supply are common to the property. There will be no option for an individual householder (tenant / owner) to opt out of service provision.

8.0 EQUALITY AND DIVERSITY

- 8.1 We are committed to promoting an environment of respect, understanding, encouraging diversity and eliminating discrimination by providing equality of opportunity for all. This is reflected in our Equality and Diversity Policy.

9.0 COMPLAINTS

- 9.1 Although we are committed to providing high levels of service, we accept that there may occasions where you may not be satisfied with the service you have received from us. We value all complaints and use this information to help us improve our services. Our Complaints Policy describes our complaints procedure and how to make a complaint.

10.0 GDPR

- 10.1 We will treat personal data in line with our obligations under the current data protection regulations and our Privacy Policy. Information regarding how data will be used and the basis for processing data is provided in our Customer Fair Processing Notice.