

**PORT OF LEITH HOUSING ASSOCIATION LIMITED**

**Service Charge Policy**

- 1.0 The Association aims to provide cost effective services to its tenants and factored properties, in a fair and accountable manner.
- 1.1 The Association will provide those services deemed necessary for properties owned and managed by the Association.
- 2.0 **Calculation of service charges**
- 2.1 ***Recurring costs***  
All service charges will be levied to cover anticipated costs in the provision of such services including maintenance and support.
- 2.2 Any under or over charging will be adjusted for in the calculation of services in the year following the over / under charge. If recovery of an undercharge would result in an increase in service charge costs by greater than 50%, then the Association will phase this under charge over 3 years.
- 2.3 Service charges will be levied for all services provided by the Association including, but not limited to, door entry & CCTV systems, communal TV aerials, cleaning of communal areas, communal garden maintenance, lift maintenance, laundry facilities, warden call systems, furnishings
- 2.4 ***Non Recurring costs – capital replacements***  
An amount equal to 3.5% rent charges will be collected for the future replacement of service assets from all tenants and factored owners. This charge will be for the replacement of equipment such as fire alarms, lifts, communal laundry equipment, furnishings and flooring in communal areas, all costs associated with the provision of a warden service in sheltered housing.
- 2.5 Where the Association leases properties with specific facilities these will be recovered based upon their cost and their expected useful life.
- 2.6 ***New Properties***  
For new rented properties, the Finance Team will calculate the required level of service charge which will be incorporated into the rent arrangements by the Housing Director, based upon the levels of service being provided and costs associated with similar properties.
- 3.0 **Collection of service charges**
- 3.1 Service charges will be applied to tenants rent accounts on a monthly basis in line with their tenancy agreement. The collection of service charges will be part of the rent collection process.

3.2 Service charges for factored properties will be collected by the Property Management Team. Full buildings insurance, arranged by the Association, will be compulsory for all factored properties.

#### 4.0 **Monitoring and Notification of costs**

4.1 Costs incurred will be regularly monitored by the relevant budget holders i.e. Property Maintenance Team and the Housing Team. This is not only to ensure good budget monitoring but also to ensure that tenants are informed of potential cost variations prior to the annual notification.

4.2 All tenants will be provided with a service schedule at the sign up of their tenancies and receive annually a revised service charge schedule.

4.3 Factored properties will receive an annual factoring statement which will detail the breakdown of services being recovered

4.4 The Housing Team will consult with all residents prior to introducing and/or removing any service provided.

#### 5.0 **POLICY REVIEW**

5.1 The service charge policy will be reviewed with the rent policy in 2010, and thereafter follow a five year review cycle.