



<b>HOUSING MANAGEMENT</b>
<b>SERVICE CHARGE POLICY</b>
<b>Board Approved November 2024</b>
<b>Reviewed November 2024</b>
<b>Next Review Due November 2027</b>

<b>Policy on :</b>	<b>Service Charge Policy</b>
<b>Compliant with Scottish Social Housing Charter</b>	<b>1. Equalities</b> <b>2. Communication</b> <b>6. Estate Management, anti social behavior, neighbour nuisance &amp; tenancy disputes</b> <b>13 Value for Money</b> <ul style="list-style-type: none"> <li>Tenants, owners and other customers receive services that provide continually improving value for money for the rent and other charges they pay</li> </ul> <b>14 &amp;15 Rents and Service Charges</b> <ul style="list-style-type: none"> <li>A balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and other customers can afford</li> <li>Tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants</li> </ul>
<b>Compliant with New Regulatory Framework:</b>	<b>Regulatory Standards of Governance and Financial Management: Standard 2 and 6.</b>
<b>Compliant with Community Engagement Strategy:</b>	<b>Yes</b>
<b>Compliant with Equal Opportunities : Equality Impact Assessment</b>	<b>Yes</b>
<b>Compliant with Business Plan:</b>	Objective 6: Building Business Resilience.
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<b>Responsible Officer:</b>	<b>Head of Housing</b>

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## **1.0 Introduction**

This Policy sets out a framework for how Paisley Housing Association (PHA) will deal with the implementation of services and service charges.

## **2.0 Principles**

The following principles govern the operation of this policy:

- Provide a clear framework on how the Association deals with Service Charges
- Take into consideration both affordability and value for money in respect to determining services.
- To provide a transparent service which meets the needs of the community

The Association uses the SFHA affordability toolkit to determine affordability of its rents, using the total rent including services in its calculations.

Value for money for services will be assessed through the procurement of the service and monitoring performance in delivering the service specifications.

We will take account of any tenant's complaints about value for money and incorporate these into any reviews of service.

## **3.0 Aims and Objectives**

The aims of this policy are;

- Ensure fairness and transparency in the review and calculation of service charges
- Provide staff with clear guidelines on dealing with service charges

## **4.0. Legislation**

Section 25 of the Housing (Scotland) Act 2001 allows landlords to increase rents (or any other charge payable) under a Scottish Secure Tenancy so long as they give tenants at least 4 weeks notice of the increased rent & services due to be paid. The Association reviews rent & service charges annually in Quarter 4 and issues its notice 4 weeks in advance of its new rent & service charges to be applied on the 28<sup>th</sup> March.

## **5.0 Scottish Housing Charter**

This policy also takes into account the requirements set out in the Scottish Social Housing Charter outcome 6; 'tenants and other customers live in well-maintained neighbourhoods where they feel safe'.

## **6.0 Equality and Diversity**

We are committed to preventing discrimination and providing equal opportunities for everyone.

In applying this policy, we will not discriminate against any individual, household or group on grounds of race, gender, sex, marital status/civil partnership, gender reassignment, sexual orientation, pregnancy or maternity, religion or belief, language, social origin, disability, age or any other personal attribute.

We will make this policy available in alternative formats such as large print or Braille on request. Translation services for other languages can also be made available and where practical we will arrange for an interpreter if you speak a language other than English.

An EIA was considered by Alan Graham in November 2024. We were satisfied that this policy does not have any obvious negative impact on protected groups but this will be reviewed in November 2027.

### **7.0 Wider Framework**

We recognise other policies and procedures in consideration of this policy;

- Procurement Policy
- Contracts Management Procedure
- Estate Management Policy

### **8.0. Procurement**

Services will be procured in accordance with our procurement policy and the management of the contracts will adhere to our contracts management procedure.

The duration of a service contract can vary between 1 to 5 years. The Association will determine the period to be applied based on best value.

For the common heating gas contract, the Association uses a consultant to compare costs in the market before appointment.

For service contracts which are longer than 1 year, the Association will apply the contractor's uplift as detailed within the contract. Where possible, in procuring contracts we will request any uplifts be applied at the start of a financial year therefore allowing any increase to be considered within our annual rent & service charge consultation with tenants.

### **9.0 Who Provides our Services**

All of our services are provided by either our appointed contractors/supplier or by Association staff i.e. our Estates Team.

The Association gives details of tendered contracts for service providers on its website.

## **10.0 Tenancy Agreement/Leases**

The Association's Scottish Secure Tenancy Agreement outlines our contractual obligations in Section 1.6 and 1.7.

The Association's leases are based on the SFHA's model lease.

## **11.0 Housing Benefit & Universal Credit**

Some service charges may be part of the eligible housing costs for Universal Credit or eligible rent for Housing Benefit entitlement if:

- The tenant has to pay them to occupy the property and
- the Council/DWP accepts that the service charge is not excessive and
- the services are related to the provision of adequate accommodation

## **12.0 Introduction of New Services**

Where we are looking to introduce a new service, we will consult with our tenants and take their views into account prior to it being introduced.

Where we are looking to introduce a service into a mixed tenure close and the Association's subsidiary, Paisley South Property Services is the appointed factor we will apply the requirements of the title deeds to appoint.

## **13.0 Our Service Charges**

13.1 The Association applies service charges for the provision of services over and above the standard costs of providing accommodation to our tenants.

We charge for the services which relate to the tenancy, this includes charges for services that are available to the tenant but they may choose not to use e.g. bulk uplift service or laundry facilities within the multi storey.

The total service charges for each property will vary according to the particular services relevant to it. The service charges for each property will be either contained within their Tenancy Agreement or within an addendum to the Tenancy Agreement.

13.2 For leases the relevant service charges for each property will be contained within the Lease Agreement.

13.3 The following are the current services which are charged by the Association:

- Bulk uplift
- Bulk uplift with bin assistance
- Garden Maintenance
- Close cleaning
- Common Heating

- Multi storey services which include bulk, garden maintenance and a contribution towards lift maintenance, laundry facilities and the tasks undertaken by the Estates Team within the building
- Services specific to a development e.g. Westerfield House, 31 High Calside
- Additional safety checks for leased properties

#### **14.0 How Service Charges are calculated**

We charge only the cost of delivering the service as provided by the contractor.

Where we do not have actual costs for a 12 month period we will base the charge on an estimate of how much the service is going to cost over a 12 month period.

Where we have based the service charge on an estimate we will compare the actual cost charged by the contractor/supplier for the period and compare this against the income received through our service charges for the same period. This variance, plus expected changes for coming 12 month period will inform the calculation for the service charge for the coming year.

Unless specifically noted, in calculating the Service Charge no account will be taken of payment arrears or periods when properties are empty and no charge being paid.

#### **15.0 Bulk Uplift Service**

15.1 This service charge is calculated across all of the Association's property with only Oliphant Court's 56 properties in our multi storey receiving a smaller charge due the disposal of approximately 50% of their bulk items being removed by the Estates Team while undertaking tasks within the building.

We procure the bulk uplift contract in accordance with our Procurement Policy. The charge is calculated by:

- Determining any surplus or deficit in income from the previous 12 months based on the actual cost of the contract
- Add this deficit/deduct the surplus of net income to the estimated cost for the coming financial year to give a revised total
- Divide the total by number of properties receiving the service

#### **15.2 The Bulk and Bin Assistance Service**

This service is limited to Orchy Crescent & Mannering Road (numbers 17- 41) and was introduced due to the high number of stairs to and from the pavement to the properties bin stores.

The bins are taken out by a contractor. This service element is procured in accordance with our Procurement Policy. Returning the empty bins to the bin stores is undertaken by our Estates Team and covered by other contractors if required and the cost is based on the total time taken to complete the work.

The Charge for Bin Assistance is calculated as follows:

- Adding the projected charge for Bin Assistance charged by the contractor to
- The cost of the estimate of Estates Team's estimated time taken to complete the work
- The total is then divided by the number of tenants receiving the service

## **16.0 Garden Maintenance Service**

16.1 This service covers both individual gardens and shared gardens e.g. backcourts. Open spaces, owned by the Association, across its areas are not included in the garden maintenance service.

This service charge is based on the costs provided by the appointed contractor.

Where a garden requires to be brought up to a standard before it can go onto the service this will be carried out by either our Estates Team or contractor and recharged. It will not form part of the service charge process.

Where a garden is brought up to standard in a mixed tenure block, PSPS will apply its Factoring Policy in respect to recharging for works.

Prices for our garden service will be based on the cost of the work to the individual garden as charged by the contractor.

If there is a front garden attached to the properties on the ground floor, this will be considered as an 'individual' garden and the tenant of this ground floor property will be charged for the cost of maintaining this as their individual garden plus their share of maintaining the back court.

Where there is no front garden all of the properties will equally share the cost of maintaining the back court (with the exception of factored owners who are charged their share based on their property titles).

Where we provide a service for own door flats which have either an individual side or front garden and a shared back garden the cost will be calculated on the cost of the individual side or front garden.

Where we provide a service for an individual garden the cost will be based on the full cost of the service and will be charged in full to the tenant.



## 16.2 Mixed Tenure properties on garden service

Where the close is a mixed tenure block and the appointed factor is Paisley South Property Services, the cost will be determined in the same way as above but the charge applied to owners within the block will be in accordance with their title deeds with the remaining cost being split equally between the remaining Association properties.

If there is a front garden attached to the properties on the ground floor flats belonging to an owner and they ask for their front garden to be maintained, they will be charged for the cost of maintaining their individual garden plus their share of maintaining the back court.

Where the close is a mixed tenure block and the appointed factor is not Paisley South Property Services, the Association will advise the tenant of the service and the service charge will be based on the charge made by the factor to the Association.

## 16.3 Removal of Garden Service

The garden maintenance service would not normally be removed from a close/four in a block irrespective of any change to tenancies and ownership within the close/ block. This would only be considered where a full close/four in a block requested the removal to take on maintaining the garden by themselves and can demonstrate their ability to maintain the garden.

Where a tenancy changes in an own door property and the new tenant requests the service is removed the Association will consider this where the new tenant can demonstrate their ability to maintain the garden.

## 17.0 Close Cleaning Service

17.1 This service charge is based on the costs provided by the appointed contractor.

17.2 The Association has 2 specifications for close cleaning;

- **Gordon Street & new flatted properties coming off site**  
This higher standard specification is to ensure that these closes remain at a good standard following works.
- **All other closes**  
A basic standard of close cleaning is in place.

Copies of specifications are provided at either the sign up for the tenancy or sign up to the service and from our website.

The close cleaning service may be introduced on a landing or full close basis.

## 17.3 Landings on close cleaning service

Where the service is in place for a landing only (not the full close) The service charge is calculated by taking the cost of cleaning the landing provided by the contractor and dividing it by the number of properties on the landing (*this*

*includes factored properties where an individual landing is on close cleaning service and not the full close)*

#### **17.4 Full closes on close cleaning service**

Where the service is in place for a full close, the service charge is calculated by taking the cost of cleaning the close provided by the contractor and dividing it by the number of properties in the close (with the exception of mixed tenure closes as detailed below).

#### **17.5 Mixed Tenure closes on close cleaning service**

For mixed tenure closes, where the full close is receiving the service the charge will be the total cost for the close, with the factored owners paying their apportioned cost per the titles. The remaining cost is then equally divided between the remaining Association properties within the close.

Where a factored owner requests the service be introduced on their landing and the Association's tenants on the landing have signed up to the service, the service will be introduced and the charge that will be applied is the landing cost divided by the number of properties on the landing. If thereafter the service is introduced on a full close basis the charge to the factored owner will be recalculated to reflect their apportionment as per the titles.

As a result of having both different numbers of properties on the landings and having fully owned Association closes next to mixed tenure closes, tenants may have different service charges for the same close cleaning service.

### **18.0 Common Heating**

The common heating system provides gas heating for 57 properties. The service charge currently takes account only of the number of bedspaces in a property. From 28<sup>th</sup> March 2025, the service charge will take account of the the number of bedrooms and bed spaces in a property.

The service charge is calculated taking into account;

- Cost and usage of the gas in the previous 2 years
- Cost of gas projected for the coming year &
- Deficit/surplus against the fuel service charge for the previous year & projected to the current year end

The above makes up the total Fuel Service Charge Income required for the new year. The total cost is then apportioned between all properties, taking into account the different sizes of property based on number of bedrooms and bedspaces in each property i.e.

Charge level 1	2apt 2person flat
Charge level 2	3 apt 3person flat
Charge level 3	3 apt 4 person flat
Charge level 4	4apt 4 person flat

## **19.0 Oliphant Court Services**

The Association has one multi-storey property with 56 flats at Oliphant Court. This property type requires a range of services to maintain its current standard. The Association recognises that to pass on all of the costs for these services would be too high a burden on its tenants and therefore has set a service charge which it considers to be reasonable and affordable to tenants. The balance of these costs is included as overhead costs for the Association.

In calculating the service charge for each property in the multi storey we take the following into account:

- A reduced need for bulk uplifts within the block i.e. 28 uplifts in the year
- A daily visit by a member(s) of the Estates Team in the block to undertake the tasks required
- A contribution towards having access to laundry facilities i.e. maintenance of equipment only
- A contribution towards the provision of lifts within the building i.e. maintenance of equipment only
- Ground maintenance

We have not included:

- replacement of laundry facilities
- replacement of lifts
- common electricity
- use of the common room
- use of the bee friendly garden

As part of the annual review of service charges the Association will collate the total cost of the above and determine the % of the total cost it will apply and consult on this.

Where service costs are forcing the total rent to become unaffordable the Association will consider reducing the service specification or alternative ways to deliver the service, which will be more cost effective.

## **20.0 Westerfield House (25-29 High Calside)**

This development provides supported tenancies. The support is procured independently of the Association and is delivered 24/7 from a flat within the development. Services for tenants include the following:

- access to a designated common area within the support flat
- door entry
- lift maintenance
- maintenance of the internal common parts which includes window cleaning
- garden maintenance
- bulk uplift

### **21.0 Leased Properties**

The Association has leases with a variety of service providers. The properties vary in size and type and where there are services in place these will be included in the lease and will be the same charge as for a tenanted property.

Additional service charges for leases include additional safety checks to accommodate changes in occupancy during the term of the lease. These are calculated on an assumption of turnover x the cost of the safety check being undertaken. Where the lease holder requires additional safety checks due to higher than expected turnover these will be invoiced to them for payment.

### **22.0 Collection of Service Charge Payments**

Service charge payments will be collected monthly along with rent payments. The Association does not have separate accounts for service charges but has a combined rent & service charge account for each tenancy. In the event of insufficient payment being made in any payment period, the Association will consider any monies, not HB/UC, received to be allocated to the service charges in the first instance and then to the rent.

Where the service is HB/UC eligible, the payment of HB/UC will be allocated to both rent and the service to identify any shortfall. The management of arrears in service charge payments will be carried out in compliance with the Association's Arrears Policy.

The Association will promote its Advice Team Service providing assistance with Welfare Benefits and Energy Advice to all tenants to assist tenants maximise their incomes.

### **23.0 Interruption to Services**

If the Association is unable to provide a service due to circumstances outwith its control, it will advise tenants of the situation, giving as much notice as is possible, and will on being able to resume the service, review the period without service and make adjustments to rent accounts / refund tenants accordingly where appropriate.

If possible the Association will seek to deliver the service through alternative means and this may mean the service is adapted for a period of time. The Association will advise tenants of this and will, if the cost of the adapted service is lower than the contracted service, on resuming the service review the period of adapted service and make adjustments to rent accounts / refund tenants accordingly where appropriate.

Where the cost of an alternative service is higher than the contracted service the Association will not make any change to the service charge.

If either cyclical or planned maintenance works e.g. scaffolding restrict the access to the gardens for the contractor to carry out garden maintenance results in a temporary loss/ delay or interruption to the service the Association will determine if the circumstances require an adjustment to be made to the service charge. Where services are expected to be affected the Association will advise tenants and the contractors giving as much notice as possible.

#### **24.0 Tenant Consultation on Service Charges**

Tenant consultation will be undertaken:

- Prior to the introduction of any new service charges, with those tenants for whom it is proposed
- On any proposal to change the scope or specification of the service
- Prior to any change to the service charge being applied
- Removal of a service

The Association will provide a range of opportunities for tenants to engage in any consultation on services.

The Association's service specifications will be reviewed at the end of a contract period.

Charges will be reviewed on an annual basis as part of the budget process. Consultation with tenants on the proposed charges will be carried out at the same time as the Association's consultation on any proposed rent increase for the following financial year.

Tenants' views will be taken into consideration by the Board prior to a formal approval of any increase/ decrease in service charge. Tenants will be notified in writing annually by 28<sup>th</sup> February of each year of any changes to the Service Charges and will be given a minimum of 4 weeks notice of any change. Results on consultations will be published on our website.

#### **25.0 Being added to and taken off a Service**

The Association's tenancy agreement Sections 2.9 – 2.11 sets out tenants' responsibilities for the maintenance of private gardens and the common areas relating to their tenancy. The Association manages its estates and where a tenant fails to maintain the common areas it will introduce the service and charge the tenant accordingly.

When a flatted property with common areas becomes empty the services will automatically be introduced. The new tenant will have these services included within their tenancy agreement and they will be introduced as soon as all properties requiring the service are signed up e.g. all properties on a landing for close cleaning and all properties within a close for garden maintenance.

In mixed tenure blocks where the Association does not have the majority ownership and owners block the introduction of a service we will seek to introduce the service on a landing basis where possible.

The Association will promote its common area services and will add tenants to these services at their request.

The Association will only in exceptional circumstances remove a service provided for common areas once it has been added. For the removal of a service for an individual property the Association will consider each case depending on the circumstance of the request.

Where the Association has introduced a service either at the request of a tenant or the service has been forced on due to a breach of tenancy, a rechargeable repair will be raised where works are required to bring the standard of the individual or common areas up to the service standard.

Tenants will be given 28 days (or 4 weeks as noted on sections 10) written notice for the introduction of any service or the removal of a service

### **26.0 Introduction of New Services**

Tenants will be consulted prior to the introduction of any new services. Consultation will include information about service specification and the likely costs. Where appropriate the Association will trial/pilot a service prior to full implementation to determine if it meets the needs of tenants and provides Value for Money.

### **27.0 Monitoring of Contractors**

The performance of contractors will be monitored through regular inspections of their work.

Housing Assistants will monitor the close cleaning, garden maintenance, bin assistance & bulk uplift contracts.

The Association will monitor the views of tenants receiving services through complaints and in tenants' responses within its full residents' satisfaction survey, carried out every three years.

### **28.0 Training**

The Association will identify individual training and support needs for staff at induction and through its annual appraisal process. Training on changes in legislation and good practice will be delivered as required and may be provided in conjunction with other partners.

### **29.0 Responsibility**

The Board is responsible for approving the policy

The Head of Housing is responsible for;

- Working with the Head of Finance to measure service charge income received against actual and future costs and determine the annual charges to be applied
- Undertake affordability testing for total rent which includes service charges
- Analysing consultation responses on service charges representing value for money

The Housing Manager is responsible for;

- Procuring (along with Asset Management & Finance) the garden, close cleaning, bulk & bin uplift services
- Analysing any complaints regarding services, identify trends and make proposals for any amendments to services to reflect any lessons learnt.
- Meeting with contractors to review any issues on service delivery
- Authorising any adjustments to accounts/ refunds for upheld complaints where a service has not been rectified by the contractor within an reasonable time e.g. landscape may require additional cuts at the end of the season to make up for cuts missed due to adverse weather. Where refunds /adjustments are being made due to an upheld complaint it will be applied to the individual property or affected close
- Reporting to Head of Housing any changes in tenancy sustainment as a result of tenants leaving due to not being able to afford maintain their tenancy.

The Housing Officers & Asset Officers are responsible for;

- Identifying any issues with services when carrying out estate inspections and passing these to the Housing Assistant to engage with the contractor

The Housing Assistants are responsible for;

- Advising new tenants of the services that will form part of their tenancy and in providing costs and service specifications
- Monitoring the delivery of close cleaning, garden maintenance, bin assistance & bulk uplift contracts.
- Carrying out monthly 10% service quality checks and action findings accordance with our estate management procedures
- Liaising with contractors on any issues with services
- Identifying to Housing Manager any issues with service delivery that affect the overall service

### **30.0 Data Protection/GDPR**

When implementing the policies and procedures of Paisley Housing Association all staff and Board members must adhere to and be aware of the requirements of the Data Protection Act 2018 and the General Data Protection Regulation (EU) 2016/679 (“the GDPR”).

In situations where there may be any doubt about the requirements of the above, the Association may seek the views of its legal advisors.

### **31.0 Complaints**

The Association aims to ensure that the service provided to tenants is of the highest quality. If this is not the case, a Complaints Policy and Procedure is in place to allow all residents or affected parties to state their grievance. The Scottish Public Services Ombudsman is the final stage of this process.

Where we receive a complaint about a service we will not pursue the debt while undertaking our investigation into the complaint and if it is upheld we will if we can, rectify the problem at no extra cost to the tenant. If this is not possible, we will remove the charge for the period relating to the complaint.

### **32.0 Policy Review**

This policy will be reviewed in full by the Association every 3 years. Amendments to the policy will be made in the interim to respond to any changes in legislation, regulation and good practice.