

SERVICE CHARGE POLICY



MONITORING INFORMATION:

POLICY/PROCEDURE/STRATEGY:

SERVICE CHARGES POLICY

DATE APPROVED:

OCTOBER 2025

EXPIRY DATE:

DECEMBER 2028

OWNER:

HEAD OF FINANCE

APPROVAL ROUTE:

BOARD

Service Charges Policy

Policy Statement

This policy sets out the aims and objectives of Teign Housing, with regards to service charges for tenants, leaseholders with long leases, shared ownership leases on properties for which we provide landlord services, and freeholders where appropriate. Teign Housing is committed to meeting its responsibilities to all tenants as determined within their tenancy agreements or long-term leases to provide high quality services representing value for money.

This policy is applicable to all properties and includes:

- Assured Short Hold Tenancies
- Leasehold properties
- Shared Ownership properties
- Freehold properties, where applicable

Our Commitment

Teign Housing is committed to:

- Complying with its responsibilities to tenants & leaseholders under the terms of their leases, providing them with high quality, value for money services in the management and maintenance of their homes
- Providing all tenants with a standard of customer care and performance
- Working with all tenants and leaseholders to ensure satisfaction with the level and quality of services provided and the way in which charges are determined
- Providing access to the insurance cover via the website or providing a hard copy on request
- Ensuring that service charges are set so that they recover the costs of the services provided
- Ensuring that the costs of the services provided represent value for money whilst providing the high-quality provision expected by tenants and leaseholders
- Ensuring that we communicate clearly and promptly to tenants and leaseholders about the service charges and how they are set and recovered

Services Charges

Service charges are paid for by most tenants, leaseholders, shared owners, and some freeholders. They pay for additional services and day to day running costs that are not covered by the rent. These services are provided to communal areas that are shared with neighbours, or are services provided to specific properties or blocks.

- Teign Housing will prepare timely and accurate information about the cost of services for which service charges are due
- Service charges will be calculated to reflect budgeted costs for each block and will be charged to the tenant or leaseholder in accordance with the terms of their lease.
- Leaseholders will have the right to approach Teign Housing regarding service charges in line with Section 22 Landlord and Tenant Act (LTA) and be supplied with supporting evidence/documentation to inspect
- For Leaseholders, any deficit will mean an additional charge will be made, or a surplus will result in a refund back to the leaseholder's charge account. The leaseholder will receive a Reconciliation Statement once the final accounts for the year have been concluded. Further information can be found in the Leaseholder Management Policy

Service Charge Elements

Teign Housing will calculate the costs for the following services:

- Alarm Charge
- Communal Electricity
- Responsive Caretaking
- Routine Caretaking
- Grounds Maintenance
- CCTV
- Communal Maintenance
- Community Rooms
- Door Entry
- Fire Equipment
- Buildings Insurance
- Home Sure Visits

- Independent Living Service
- Passenger Lift
- Communal TV Relay
- Window Cleaning
- Sewerage
- Stairlift
- Wash & Dry Toilets
- Water
- Welfare Call Charge

*This list is not exhaustive.

Tenants and Leaseholders will be charged only for the services applicable to their property.

Service charge calculations

Every year we estimate the cost of providing services to our residents. The estimate is based on real costs incurred in the previous year and how much we think the costs for this year will change. The estimates are based on information available at the time, including inflation rates. Discretion can be used in relation to the amount of inflation applied.

We use these estimated costs to calculate the charges which we bill to the tenants, leaseholders, shared owners, and freeholders.

In general, we take the cost of providing the service and spread this across the number of homes who benefit from this service so each home will pay an equal share of the cost. For example, if the shared electricity in a block of eight homes costs £160 per year, then the cost will be split equally between each home; each tenant or leaseholder will pay £20 per year or 38p per week.

Alarm charges	24-hour call monitoring and relevant assistance where required. Covers replacement of equipment where necessary. The cost is calculated based on the previous year plus CPI+1.
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Responsive Caretaking	All properties pay a small charge for a responsive service which covers all communal areas in respect to the removal of fly-tipped items, graffiti, weeds, and any other urgent and non-routine caretaking works as needed. The service charges are
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calculated by splitting the costs of running the Responsive caretaking service across all properties.

Routine Caretaking

Routine caretaking service applies only to specific schemes, which includes litter picking, sweeping, mopping floors, reporting repairs, and carrying out health and safety checks. The service charges are calculated by working out the total cost of running the Routine caretaking team service and splitting the hourly rate across all the relevant properties based on the number of hours to attend to each property or block.

Grounds Maintenance

This service covers regular grass cutting of communal areas from April to October along with maintenance of shrub beds, hedges, and any grounds maintenance improvements outside of the regular contract between November and March. The charges are calculated by working out the total cost of running the Grounds Maintenance team service and splitting the hourly rate across the relevant properties based on the number of hours spent to attend to each property or block.

Communal Electricity

This covers each property's share of communal electricity supplies including hall and stairway lighting in flats, car parking areas and private street lighting. The charge is calculated using meter reads from the property's meter or meters.

Communal TV Relay

This is the cost of providing TV aerials and associated equipment. The cost is calculated based on the previous year plus CPI+1.

CCTV

The service charge is calculated using the leasing costs, phone line costs, and repair & maintenance costs split across the sites and the number of cameras on site. This is only applicable to properties covered by CCTV coverage.

Communal Maintenance	This is for minor repairs and maintenance that are not covered under any other repairs and maintenance contracts. The actual cost is split between all properties that have required any communal maintenance.
Community Rooms	The cost of running the community rooms, including electricity, water, heating, window cleaning and maintenance is split between the properties that have access to the community rooms.
Door Entry	The cost of the repairs and maintenance of door entry systems is split between the properties that have communal door entry systems.
Fire Equipment	The cost of testing and repairing fire equipment as well as regular fire risk assessments. This is split across blocks that have fire equipment.
Buildings Insurance	This covers the buildings, fixtures and fittings. The insurance cost per property is charged using the schedule of property charges provided by the insurer.
Home Sure Visits	Regular scheduled visits to tenants who are not in Sheltered Accommodation to monitor welfare. The cost is calculated based on the previous year plus CPI+1.
Independent Living Service	This is an Independence and Wellbeing service for tenants in Sheltered and Mini Group Accommodation. The cost is calculated based on the previous year plus CPI+1.
Passenger Lift	The costs of servicing, maintenance, and repairs to lifts in blocks of flats is split between each of the properties in those blocks.

Management Company Charges	Some estates are managed by a property management company. The actual cost of the service charged to Teign Housing is recovered from the applicable properties
Sewerage	The cost of emptying and maintaining private sewerage and waste treatment systems split between the relevant properties.
Stairlift	This is cost of servicing and maintaining stairlifts. The cost is calculated based on the previous year plus CPI+1.
Wash & Dry Toilets	Annual servicing, repairs, and maintenance of specialist toileting equipment. The cost is calculated based on the previous year plus CPI+1.
Water	This covers the actual cost of water and sewerage charges from South West Water where is there is a shared water meter for a scheme.
Welfare Call Charge	As part of our Independent Living service, we can offer a service to receive a regular welfare telephone call and to ensure the community alarms/pendants, where applicable, are in working order. The cost is calculated based on the previous year plus CPI+1.
Window Cleaning	The cost of cleaning windows, split by number of properties that have their windows cleaned.

Management Fee

Teign Housing will recover a reasonable amount for managing its properties. Management fees, which may vary from time to time, will cover the costs of providing the services and their general administration on behalf of tenants and leaseholders. Some leasehold properties may be managed by a third party managing agent. In this instance charges, including a management fee, are usually passed onto the leaseholder via Teign Housing.

Certain service charges are not included in the calculation of the management fee. These services are:

- Alarm Charge
- Buildings Insurance

- Community Room
- Home Sure Visit

- Independent Living Service
- Water
- Welfare Calls