



Transforming lives  
Revitalising neighbourhoods

# Service Charge Policy

Group Finance

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Policy Version:





1. Purpose

Riversides aim is to provide principles for the management and administration of service charges to ensure they are fair, reasonable, transparent and consistent.

2. Scope

The policy applies to the following types of Occupancy Agreements:

- Assured Tenants;
• Secure Tenants;
• Licensees;
• Leaseholders (including 100% leasehold, right to buy tenants/right to acquire and shared owners);
• Freeholders who receive an estate service, such as grounds maintenance;
• Commercial properties;

The policy is designed to set out high level principles which are relevant across all parts of the group that deal with service charge setting, management, and administration. A more detailed document setting out appropriate procedures has been developed to support this policy.

3. Principles

Riverside aim to ensure that service charges are dealt with in accordance with the terms of the contract, for example the lease, licence, tenancy (together referred to in this policy as 'Occupancy Agreements') but are also set taking into consideration legal, regulatory and best practice requirements.

If there is a variance between the policy and individual Occupancy Agreements, then the Occupancy Agreements will take precedence.

Service charges may be variable, capped or fixed. The type of service charge payable is stipulated in the relevant Occupancy Agreement. All of these forms of service charge structures are covered by this policy.

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**The key objectives of this policy are:**

- To ensure that service charges are reasonably incurred, the provision of services and works are of a fair and reasonable standard and they provide value for money;
- In so far as possible within the constraints of the Occupancy Agreements, to adopt a consistent approach to the calculation, apportionment and recovery of service charges;
- To adopt a transparent approach to the calculation, apportionment and recovery of service charges
- To minimise year-on-year fluctuations in the level of service charges; and
- To regularly monitor, manage and assess the quality, effectiveness and cost of the services provided.

**The desired outcomes of the policy are:**

- **Legal and regulatory**, both policy and practice will be within the law and will meet all regulatory requirements as appropriate.
- **Contractual obligations**, the setting and administration of service charges will be consistent with the provisions of the applicable Occupancy Agreement.
- **Value for money**, to ensure that the costs incurred which are recovered through the service charges are fair and reasonable and provide value for money. Riverside will seek opportunities to benchmark to ensure that its service charges are comparable with other properties and schemes of a similar size and nature.
- **Consultation**, Riverside will be transparent in its dealing with service charges. Within the constraints of the Occupancy Agreement and any relevant legislation, we will seek to consult with residents in decisions made about the services provided, the way in which they are provided and the standards that should be met.
- **Controls**, Riverside have sufficient controls in place to ensure costs are fair and reasonable. For more information refer to our procedures for service charge setting.
- **Consistency**, service charge setting and administration shall be consistent whilst retaining the capacity to reflect contractual obligations under specific Occupancy Agreements, any legal and regulatory differences relating to the various types of service charge, and any variations in Riversides stock and tenure type.
- **Training**, Riverside are committed to training and developing staff and board members to ensure all have a good knowledge of the policy, procedures and systems in place, meeting the expectations of tenants, residents and stakeholders. Accordingly, any staff involved in the delivery of this policy will be provided with appropriate training and guidance to ensure its aims and objectives are met.
- **Equality and diversity**, All involved in the implementation and monitoring of this policy will recognise their ethical and legal duty to advance equality of opportunity and prevent discrimination on the grounds of age, gender, sexual orientation,

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disability, race, ethnicity, religion or belief, gender reassignment, pregnancy and maternity, marriage and civil partnership as provided for in the Equality Act 2010.

#### 4. Further Information & Support

Additional Policies and Procedures will support this document, including;

- Rent Setting Policy
- Section 20 Policy & Procedure
- Service Charge Setting Procedure
- Service Charge Planning Procedure
- Sinking and Cyclical Procedure
- Customer Queries Process for Service Charges

#### 5. Roles and Responsibilities

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<p>Policy and Strategy Team</p>	<ul style="list-style-type: none"> <li>•Joint policy owners</li> <li>•Lobby government around potential changes in legislation and best practice</li> <li>•To regularly review all legislation which may require changes to the policy and procedures.</li> </ul>
<p>Rent and Service Charge Policy Manager / Advisors</p>	<ul style="list-style-type: none"> <li>•Ensure adoption of the Policy and procedures for Service Charges</li> <li>•Ensure the accuracy of the charges applied per the Occupancy agreement</li> <li>•To regularly review all legislation which may require changes to the policy and procedures.</li> <li>•Provide expertise in complex customer queries</li> </ul>
<p>Support Functions (Finance Business Partners, Housing Services Processing, Finance Processing)</p>	<ul style="list-style-type: none"> <li>•Provide support to budget holders for customer queries and cost reviews</li> <li>•Provide support by producing all customer correspondence via mail</li> <li>•Provide support for allocating invoices based on supplier analysis</li> <li>•Provide supporting evidence for any customer query or tribunal</li> </ul>
<p>Development Project Managers</p>	<ul style="list-style-type: none"> <li>•Ensure all new developments are built with service charges designed appropriately</li> <li>•Ensure all service charges are calculated before the development is handed over</li> </ul>
<p>CSC</p>	<ul style="list-style-type: none"> <li>•Ensure customer queries are resolved 1st time when possible, if not routed to the correct team to resolve 2nd time</li> </ul>

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Asset Services Teams (Budget holders)	<ul style="list-style-type: none"> <li>• Ensure any goods or services procured by the Asset teams are fair and reasonable by regularly reviewing budgets and actual spend</li> <li>• Ensure customers are consulted on any changes to costs/services through formal section 20 process</li> <li>• Ensure customer queries escalated from the front line worker are dealt with and resolved in a timely manner</li> <li>• Have a understanding of what can and cant be included within service charges</li> </ul>
Front Line Workers (Home Ownership Manager/Officers, Housing Manager/Officer, Care and Support Scheme/ Area Manager)	<ul style="list-style-type: none"> <li>• Ensure any goods and services procured by the Front Line Worker on behalf of the customer are fair and reasonable (this can include but not exclusive of staffing costs, communal furniture)</li> <li>• Ensure customers are consulted on any changes to costs/services via formal section 20 process</li> <li>• Ensure customer queries are dealt with and resolved within Group SLAs</li> <li>• Have a understanding of what the customers are being charged for under service charges</li> <li>• Take into account the diverse needs of customers</li> </ul>

**6. Risk Thresholds**

The management of service charges is directly referenced in Risk One (Adverse Customer Experience) on the Strategic Risk Register. However, service charge issues are also intrinsically related to Risk Three (Contract Management), Risk Six (Margin) and Risk Seven (Income Collection). While in isolation this policy does not resolve the risks – it does begin to mitigate them.

The Riverside Group’s policy around procuring service contracts is to use a long term qualifying works contract over procuring individual contracts per scheme where ever possible. This is to ensure that the Group’s suppliers are compliant with health and safety regulations rather than being the most cost effective supplier.

The Riverside Group procedure will also cover applying for dispensation for emergency works which will be delivered without section 20 consultation.

**7. Equality, Diversity and Inclusion**

Riverside is committed to Equality, Diversity & Inclusion. We strive to be fair in our dealings with all people, communities and organisations, taking into account the diverse nature of their culture and background and actively promoting inclusion. This

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policy aligns with Riverside's [Equality, Diversity and Inclusion Policy](#) and has been subject to an Equality Impact Assessment.

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