



Policy:	Service Charges
Approved by:	Leadership Group
Date Approved:	1 September 2026
Frequency of Review:	Every 3 years

POLICY STATEMENT:

The purpose of this policy is :-

- To define the services covered by service charges; how they are calculated and how we inform the residents of their charges .
- To develop a consistent approach to setting fair and reasonable service charges that provide value for money and that comply with the Tenancy Agreement.
- To comply with current legislation, case law guidance and best practice issued by the regulator.
- To give equal priority to collecting service charges as rent.

This policy has been developed to ensure BHA complies with current legislation, regulatory expectations, and good practice, and will be subject to ongoing review.

SCOPE:

A service charge is a payment made by a resident towards the cost of communal services and repairs for the block/scheme where their home is situated.

The principle of service charges is that they should cover the operational costs of providing services, this will include servicing and maintenance and replacement of some items.

This policy applies to all residents who are required to pay a service charge, this includes, tenants, leaseholders, shared owners, and freeholders.

This policy does not apply to commercial service charges or entities where there are no service charges.

KEY STAFF RESPONSIBILITIES:

- **The Board** - are responsible for agreeing the level of increase in rent. The Board is provided with assurance about service charge levels when considering the annual rent increases.
- **Senior Managers** - are responsible for ensuring that their teams implement this policy and continuous improvement of Service Charges.

Neighbourhood Officers & Scheme Managers- are responsible for explaining any service charges to new tenants during the allocation process.

Service Charge Officer- Is responsible for preparing the Service Charge actuals and estimates each year and ensuring any queries from tenants are dealt with in a timely manner.

DEFINITIONS:

Service Charge: Section 18 (1) of the Landlord and Tenant Act 1985, as amended, defines a service charge as an amount payable by a tenant of a dwelling as part of or in addition to the rent. It is:

- Payable, directly, or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and
- The whole or part of which varies or may vary according to the relevant costs.

Personal Service Charges: Personal Service Charges are individual charges personal to residents, such as individual water or heating for their home.

Fixed service charges: A fixed service charge is an amount that is paid each week or month and the figure does not change during the year. A fixed service charge is based upon Broadland's own estimates and costs for the forthcoming year. Where there is a shortfall in the budget, because of the nature of the charge, Broadland will be required to cover this, where there is an overpayment, Broadland will retain this money.

Variable services charges: A variable service charge is an amount that can be changed in accordance with the provisions of the tenancy agreement or lease. A variable charge will be an estimate of charges for the forthcoming year and will be based upon the amount spent in previous years and knowledge of planned works, services, and contract increases. An annual review is carried out to review budgets vs actuals and any surplus or deficits of charges will be carried forward to the next financial year.

Maintenance - Broadland will recover the anticipated costs of maintaining and if necessary repairing the service item over the period for which the service charge is set.

Replacement Costs (Provisions)

Where the Association anticipates that it must meet the costs of eventual replacement of an item it will make a charge for that purpose. The charges will be recovered on an annual basis based on the total costs of replacement and the anticipated lifespan of the item.

Administration Charge:

The Association will recover a charge to meet the actual administration costs incurred by the Association in providing services.

Sinking Fund: A Sinking Fund is a pot of money collected from leaseholders and shared owners through service charges to pay for future maintenance and renewals – such as roof replacements. It ensures costs are spread fairly over time, to try and limit sudden large bills.

Service Charge Statement

Broadland will provide residents with an annual statement clearly setting out the breakdown of charges and an explanation of what they are paying for.

RELVANT KEY LEGISLATION AND RELATED DOCUMENTS: (not limited to)

Legislation	Documents
Housing Acts 1985, 1988, 1996 Landlord and Tenant Act 1985, 1987 Leasehold Reform Act 2002 Commonhold and Leasehold Reform Act 2002 Housing and Regeneration Act 2008 RSH Standards Leasehold and Freehold Reform Act 2024	NHF guide - service charges – guide for HAs Rent Policy Income Policy Tenancy Agreement or Lease Complaints Policy & Procedure Annual Rent Notification Letter & Service Charge Statement Service Standards Allocation Policy Neighbourhood Management Policy & Procedure

EIA – EQUALITY IMPACT ASSESSMENT:

A full EqIA has been completed.

DATA PROTECTION

This policy (and associated procedures) requires a Data Protection Impact Assessment (DPIA) and one was completed on *[date]* and appropriate risk mitigations implemented.

Please refer to the Tenant and Employee Privacy Notices, and the Data Protection Policy and Procedures, for details on Broadland's use, security, sharing, and retention of personal data.

IMPORTANT PRINCIPLES:

- New tenants will have service charges explained to them during the allocation process.
- Service Charge Estimates will be included in the annual Rent Notification Letter
- Service Charge Actuals will be sent to residents before the 30 September each year.
- We aim to deal with all resident queries within 10 working days.
- The majority of residents are on variable service charges, this is documented in the tenancy agreement.
- Fair Rent tenants are charged Fixed Service Charges.

- If we need to introduce a new service charge, we will consult with the residents affected and provide the appropriate notice in line with the lease or tenancy agreement.
- An administration charge is applied to all services.
- Broadland will carry out affordability checks on Service Charge Estimates annually prior to them being sent to residents.
- Any complaints about service charges will be dealt with through our Complaints Process.
- We will provide residents with a summary of their rights and obligations with the annual Service Charge Estimate.