

Service Charge Policy

1. Introduction

- 1.1. Assured tenants, shared ownership leaseholders and freeholders of Cornwall Rural Housing Association's (CRHA's) homes may pay a service charge.
- 1.2. The service charge is set out in the lease or tenancy agreement and detailed in the service charge schedules sent each year. Services will vary from scheme to scheme and may include (this list is not exhaustive): grounds maintenance, maintenance of sewage treatment plant: emptying of septic tanks, street lighting.
- 1.3. Shared owners also pay their share of building insurance.

2. Aims

CRHA aims to:

- have an approach that is fair, open and transparent, and reflects best practice;
- ensure our policy on service charge setting is understood by residents and staff;
- provide information to residents that is quality checked and accurate;
- cover our costs and to secure the best value for money when procuring services;
- meet contractual, regulatory and legal requirements.

3. How CRHA sets its service charges for tenants

- 3.1. CRHA sets variable service charges.
- 3.2. In January or February each year an estimate is made by the Head of Finance of the expected costs of delivering the service over the following financial year (1 April – 31 March). The estimate will be based on the known costs for the previous year, and surplus or deficit being carried forward and any information that might be available about any known increases in costs or any alterations to the scope of the service
- 3.3. An administration charge of 10% is added to the service charge.
- 3.4. The service charges are presented to the Board for approval.

4. What tenants can expect from our service.

- 4.1. Changes in service charges are applied at the same time as changes in rent i.e., from the start of April each year. CRHA will generally increase its service charges not more than once a year.

4.2. Every year tenants can expect to receive the following information.

- A notification letter (assured tenants also received the Section 13 Form as required by the Housing Act 1988)
- A schedule of service delivered
- A service charge information sheet
- Summary of Tenant Rights and Obligations information sheet

5. How CRHA sets their service charges for shared ownership leaseholders and freeholders

5.1. Service charges for leaseholders and freeholders will generally be calculated as set out in section 3 above.

5.2. Any changes to service charges will be implemented from the first available payment date following 1 April. For shared owner/leaseholders this will be timed to be at the same time as any rent increase.

5.3. The cost of any major works will be subject to consultation set out under Section 20 of the Landlord and Tenant Act 1985 (2003 Service Charge Regulations). This applies where cost for each household exceeds £250 or £100 p.a. for a long-term contract lasting more than one year.

5.4. Freeholders in receipt of any services from CRHA will be billed on a quarterly, half-yearly or annual basis depending on the scope of the service and the frequency of any bills received by CRHA in respect of the service.

6. What Shared Owners/Leaseholders can expect from our service

6.1. Every shared owner/leaseholder can expect to receive the following information

- A notification letter and estimated service charge for the following financial year
- A schedule of services to be delivered
- A service charge information sheet
- Summary of Rights and Obligations information sheet.

7. Examining the account

7.1. CRHA uses external and internal auditors to independently exam accounting techniques, policies and procedure.

7.2. Accounts, receipts and other supporting documents relating to the service charges can be inspected on request for a reasonable administration and copying charge providing the request is made within six months of receiving the written summary of costs.

8. This policy will be reviewed every three years or before if necessary.

Date Reviewed	Changes to the Policy	Date to be Reviewed	Approved By	Author
September 2025	No changes have been made to the policy.	Sept 2028	The Board	DH