Havebury Homes
Service Charges Policy
Policy No. HS 061

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Author *(Document Owner)*	*Assistant Director of Finance*		
Accountable Director (*Relevant ED)*	*Director Of Resources & Company Secretary*		
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Equality & Diversity Impact Assessment Outcome	*Complete – July 2023*		
Legal Advice (inc date)	Y – Capsticks approved 1 August 2023 (No material changes since advice received)		

1. Policy statement

1.1 'Service charges' are the services Havebury Homes (HH) pay for the running of the buildings our residents live in. They are things such as lighting and cleaning shared areas or looking after the grounds and gardens around the buildings.

1.2 This policy gives an overview of our approach to the recovery of cost for services we provide for residents.

2. Purpose

2.1 The policy supports the delivery of our strategic objective to meet our legal and regulatory requirements. The policy sets out for our residents, staff and other stakeholders how service charges are recovered on properties owned by HH.

2.2 We will recover service charges that:

a) comply with the contractual requirements under the Lease, Licence or Tenancy Agreement, and that all other legal or regulatory requirements are met to ensure we are able to recover the total costs we incur in providing services;

b) by following the correct procedure to recover any costs incurred on behalf of our residents.

3. Scope

3.1 Service charges will be applied if provided for within the lease or tenancy agreement for Leasehold; Shared Ownership; Sheltered, Housing Related Support and General Needs properties. Freehold titles do not have service charges in the same sense as leasehold or tenancy properties; the charges are referred to as estate management.

3.2 The Policy applies to any new or acquired properties, the service charges for which will be determined in accordance with current guidance from the Department for Levelling Up, Housing and Communities and any successor department.

3.3 Ground rent will be collected from leaseholders and shared owners in line with the lease, statute and regulations.

3.4 Our service charges will be calculated using the variable rate method of calculation, rather than the fixed rate method, although we reserve the right to change to a fixed service charge regime following appropriate consultation and tenancy variation.

4. Responsibilities

4.1 The Board, having formally adopted the Service Charges Policy for HH, accepts responsibility for ensuring its implementation and for monitoring its effectiveness.

4.2 Day to day responsibility lies with the Chief Executive and the Leadership Team. The Director of Resources & Company Secretary is the nominated 'Accountable Director'.

5. Service charges policy

5.1 We will ensure accurate calculation of the new charges and apply those in a timely fashion for all tenancy and rent types that include service charges and apply accurate performance and monitoring tools to measure the collection of the service charges set. Monitoring will be provided for a range of stakeholders, including the Department of Levelling up, Housing and Communities, Board of Directors, Performance and Scrutiny Panel, Tenant Voice Panel and employees delivering the service.

5.2 We will set service charges (including leasehold service charges) at a level sufficient to cover the cost of providing services AND in line with the lease or tenancy agreement. We recognise that there may be instances where the cost of providing the service, exceeds what can be recovered, based on the lease or tenancy agreement. These instances will be closely monitored and reported on.

5.3 Costs for services will be procured under Havebury's financial regulations and value for money protocols.

5.4 Our service charge system is robust and ensures accurate charges are applied to tenancies and leaseholder properties as required by the Landlord & Tenant Act 1985 and amendments, and all relevant other statutes and Statutory instruments.

5.5 We ensure that ground rent for leasehold and shared ownership tenants reflect the terms of their lease agreement.

5.6 Tenants on Affordable Rents can be charged ineligible service charges for costs that relate to personal utility charges, and this is on top of the 80% market valuation.

5.7 For major works or qualifying long-term agreements (QLTAs), we will undertake statutory consultation in line with our Section 20 Policy.

5.8 Changes in rent and services charges will be communicated in writing in line with the terms in the lease or tenancy agreement as well as the law.

6. References *(mandatory section)*

Related External Documents	
Reference	**Link to reference**
Housing Act 1985 (and amendments)	Housing Act 1985 (legislation.gov.uk)
Local Government and Housing Act 1989	Local Government and Housing Act 1989 (legislation.gov.uk)
Housing and Regeneration Act 2008	Housing and Regeneration Act 2008 (legislation.gov.uk)
Landlord & Tenant Act 1985 (and amendments)	Landlord and Tenant Act 1985 (legislation.gov.uk)
Localism Act 2011	Localism Act 2011 (legislation.gov.uk)

Commonhold and Leasehold reform Act 2002	Commonhold and Leasehold Reform Act 2002 (legislation.gov.uk)
Welfare Reform and Work Act 2016	Welfare Reform and Work Act 2016 (legislation.gov.uk)
Regulator of Social Housing Rent Standard	Rent Standard and guidance - GOV.UK (www.gov.uk)
Related Internal Documents	
HS 003 Rent setting Policy	

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