



ATRIUM
HOMES

The Landlord of Choice

Service Charges Policy

~~May 2021~~ May 2024

ATRIUM HOMES SERVICE CHARGES POLICY

1.0 INTRODUCTION

- 1.1 As part of its duties and responsibilities, Atrium Homes is required to ensure that it provides a range of services aimed at managing and maintaining its property and its estates. This includes the maintenance and management of shared and common areas within buildings and/or estates. These services are provided for the wider benefit of all the residents and Atrium is required to recover costs from all users of these services.
- 1.2 Atrium Homes realises the need to maximise rental income by levying a service charge for those items not covered by the rental charge. This policy will be implemented to ensure a high quality and value for money service is provided.
- 1.3 This policy aims to take into account the Scottish Government's Scottish Social Housing Charter which states:
13. **Value for money** Social landlords manage all aspects of their businesses so that tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.
14. & 15. **Rents and service charges** Social landlords set rents and service charges in consultation with their tenants and other customers so that:
- A balance is struck between the level of services provided, the cost of the service, and how far current and prospective tenants and other customers can afford them
 - Tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants
- 1.4 Atrium will aim to ensure that in the implementation of this policy no individual or group is treated unfairly or discriminated against on the grounds of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation in the provision of the Company's goods and services.
- 1.5 This policy was approved by Board on ~~25 May 2021~~. [28 May 2024](#)

2.0 AIMS & OBJECTIVES

The Service Charges Policy is intended to clarify where, when and how Atrium Homes will apply service charges and to put in place a framework for ensuring that costs are recharged to residents in a consistent, justifiable and equitable manner.

- 2.1 The aims of this policy are to:
- Ensure that Atrium fulfils, as far as possible, the requirement to recover all costs associated with the provision of services not covered by the rental charge
 - Ensure all service charges represent value for money and that they are based on actual costs, high standards and current good practice
 - Ensure that residents are provided with sufficient information on the setting and levying of the service charges applicable to them

3.0 LEGAL FRAMEWORK

3.1 This policy was compiled with reference to the following relevant legislation:

Housing (Scotland) Act 2001
Scottish Secure Tenancy Agreement
Human Rights Act 1998
Data Protection Act 1998

4.0 DEFINITION AND APPLICATION OF SERVICE CHARGES

4.1 A service charge is the amount recharged to residents for housing related services that are not covered by the rent charge but are;

- Required to keep common areas and open spaces safe
- Necessary for the good management of buildings and/or estates
- Legal requirements
- Requested by residents

We will only make a service charge where it is necessary to do so, i.e. where the costs of the items concerned are not covered by the rent. Individual building and/or estates will require different additional services and not every service will be provided to every resident.

4.2 Examples of where a service charge may be required will include:

- the nature of the building, e.g. a building with staff employed and a variety of amenities which need to be maintained;
- internal common areas which need to be maintained;
- where the depreciation and/or maintenance costs of communal equipment such as door entry systems are not included in the rent;
- where electricity/heating consumption is not billed directly to residents
- At its Board meeting of February 2021, Atrium's Board approved the removal of landscaping costs from the service charge element to ensure consistency in its approach to open space maintenance. A consultation exercise was also conducted with all of Atrium's tenants on the proposal to simply pool these costs into the larger rent pool. From this date maintenance of common areas with respect to soft and hard landscaping is paid directly from the wider rent pool.

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5.0 NEW DEVELOPMENTS

5.1 In planning our new developments we will aim, through liaison between Operations and Investment, to minimise the creation of unnecessary shared areas for which service charges will require to be levied.

5.2 Where shared external and internal communal areas are to be provided we will aim to maintain such areas to high environmental and amenity standards.

5.3 During the first 12 months following the handover of a new scheme Operations staff will ensure the application of the grounds maintenance contract specification and standards are being achieved and regularly monitored.

6.0 SERVICE CHARGE CONTRACTS

6.1 Where Atrium provides services directly, for example landscaping, it will normally invite the appointed landscape maintenance contractor to provide the service. Where the service is of a specialist nature or where there is a limited selection of suitable contractors, Atrium may seek to tender the service.

6.2 All contracts will be procured in accordance with Atrium's Procurement Policy.

7.0 CALCULATING SERVICE CHARGES

- 7.1 Service charges will be based on the actual cost of providing the service plus a charge to cover our administrative costs in providing the service.
- 7.2 We will provide annually to each tenant a breakdown of their charges to show the rent they will pay for their home and, where applicable, any service charges also to be paid.
- 7.3 For all new tenants we will provide a full schedule of their service charges at the beginning of their tenancy. Where possible in initial offer letters we send out we will clearly show the details of any service charges applicable in addition to the appropriate rent. This information will also be stated in the Tenancy Agreement.
- 7.4 For the tenant, the total cost of providing services at their development will be split evenly between the number of tenants in receipt of the service.
- 7.5 Service charges will normally be reviewed and set annually and will be implemented at the same time as the rent increases.
- 7.6 Where services are provided by a third party, for example, electricity supply for lighting, part of the service charge for the coming year may be estimated. This is because these costs are charged by the suppliers retrospectively. Any surplus or deficit will be taken into account when setting charges for the forthcoming year.

8.0 RECOVERY OF SERVICE CHARGES

- 8.1 Tenants are required to pay service charges as a condition of the SST agreement. Non payment will result in our Debt Management policy being applied where appropriate.
- 8.2 Service charges will be shown separately from the rent charge on all accounts. Payments made to accounts will be firstly posted to rent then the service charge if there is insufficient payment to cover both charges. Surplus payments will be credited to rents.

9.0 NOTIFICATION OF SERVICE CHARGES

- 9.1 **Tenancy agreement** – the Scottish Secure Tenancy Agreement requires Atrium to note what services and service charges are applicable to that tenancy. Changes to either the actual services or the annual costs will be notified in writing.

10.0 COMMENTS AND COMPLAINTS

- 10.1 We will respond to queries raised by tenants regarding their service charges within 10 working days, where we can reply based on the information held in our files.
- 10.2 We will deal with complaints about service charges in accordance with our Complaints Policy.

11.0 MONITORING AND REVIEW

- 11.1 The Head of Operations will be the lead person in the development and implementation of this policy.
- 11.2 This policy will be reviewed every 3 years or as required following a substantive legislative or performance requirement.

12.0 CONSULTATION

Atrium will seek to carry out a consultation exercise prior to full implementation of any proposed review and/or amendment of the Service Charges Policy and, where appropriate, will seek the comments and views from interested and affected parties. All comments and views formally expressed will be reported for consideration and, where appropriate, the Policy will be amended accordingly.