



Service Charge Policy

Version: 2025.1

Review Date: July 2026

Approved By: Board

Applies To: Tenants, Staff and all houses managed by Aves Housing

1. Purpose

This policy defines the treatment of service charges across all housing schemes managed by Aves Housing, ensuring:

- Transparency for tenants
- Compliance with the Regulator of Social Housing's Rent Standard
- Correct classification of charges under Housing Benefit rules
- Operational clarity for staff and external stakeholders

2. Legal & Regulatory Framework

This policy is governed by:

- Housing Act 1985 & 1996
- Rent Standard 2020 (Regulator of Social Housing)
- Welfare Reform and Work Act 2016
- Housing Benefit Circulars (Exempt Accommodation Guidance)
- Chartered Institute of Housing (CIH) best practice

3. Scope

Applies to all Supported Housing and General Needs Housing units owned or managed by Aves Housing, including:

- Self-contained and shared accommodation
- Schemes operating under Exempt Accommodation status
- Properties where tenants are responsible for their own utility costs

4. Definition of Service Charges

Service charges are costs associated with services or facilities provided in connection with the accommodation. In this organisation:

- The only service charge is for gas and electricity, which tenants pay directly to their utility providers
- No other service charges are levied
- All other costs (e.g. staffing, cleaning, compliance, concierge) are treated as part of the core rent and are not separately charged or eligible for Housing Benefit

5. Utility Charges (Gas & Electricity)

| Component | Treatment | Eligibility |
|-------------------------|---------------------------------------|--------------|
| Personal Gas & Electric | Paid directly by tenants to suppliers | Not eligible |

- Tenants are responsible for setting up and maintaining their own utility accounts
- These costs are not included in rent or service charges
- Tenants are advised of this responsibility at sign-up and in tenancy agreements

6. Non-Service Charge Components

The following components are not treated as service charges and are instead included within the rent:

- Communal cleaning and waste disposal
- Pest control and garden maintenance
- Fire safety equipment servicing
- Health & safety compliance (e.g. legionella, asbestos)
- Furnishing and renewal of communal areas
- Repairs and maintenance
- Concierge services
- Staff and office costs
- Data management and IT systems
- Printing, postage, and supplies
- Rates and other property-related charges

These components are not eligible for Housing Benefit as service charges and are therefore consolidated into the rent charged.

7. Principles of Service Charge Management

- No service charges are levied by the landlord
- Gas and electricity are paid directly by tenants
- All other costs are embedded in rent and treated as ineligible for HB purposes

- No Housing Benefit claims will include service charge elements

8. Governance & Monitoring

- Finance and Housing teams will ensure rent and service charge classifications remain compliant
- Tenancy agreements and rent schedules will clearly reflect this structure
- Internal audits will verify that no ineligible service charges are claimed
- Annual review will confirm continued alignment with HB guidance and Rent Standard

9. Tenant Communication

- Tenants will be informed at sign-up and annually that:
 - They are responsible for their own gas and electricity bills
 - No service charges are included in their rent
 - All housing-related costs are consolidated into the rent