

WMC & Service Charge Policy

WMC & SERVICE CHARGE POLICY	
Purpose	To enable Harrison Housing to set weekly maintenance charges in accordance with the rent standard, to set service charges in accordance with license agreements, and to provide sufficient revenue to remain financially viable and independent.
Applies to	All Harrison Housing homes and residents.
Date first implemented	February 2025
Author	Finance Manager
Date first approved by Leadership Team	January 2025
Date first approved by Board of Trustees	February 2025
Review Frequency	Annually
Service Area	Finance
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CONSEQUENTIAL AMENDMENTS (made prior to full policy revision)		
Amendment Date	Nature of Amendment	Revised by

VERSION HISTORY			
Revision Date	Version No.	Revised by	Approved by

CURRENT POLICY REVISION	
Date revised	January 2025
Revised by	Finance Manager
LT approval date	January 2025
Board of Trustees Approval date	February 2025
Next revision due	January 2026

1. Policy Statement

- 1.1 Harrison Housing relies on the income we receive from weekly maintenance and service charges (WMC/SC) and therefore it is imperative that we ensure our income derived from WMC and SC allows us to meet our liabilities and remain financially strong. WMC's will be set to provide sufficient revenue for the association to remain financially viable and independent. However, as a social landlord, we will balance this driver with our requirement to consider the affordability for our residents.
- 1.2 In setting WMC we assume this to be the element of resident charges commonly referred to as "rent" under tenancy agreements and service charges as the element of charges we provide services for residents. We will ensure that we set and WMC's in accordance with the Rent Standard in the regulatory framework and/or other relevant legislation. As an Almshouse there are from time-to-time different rules in the Rent Standard allowing for different increases and caps.
- 1.3 Our service charge policy and procedures are designed to ensure that all service chargeable costs incurred by Harrison Housing are recovered from residents in accordance with the terms of their individual license agreements and in line with current legislation. Service charge setting is governed by different regulations and is generally not affected by changes to the rent setting standard.
- 1.4 As a Registered Provider, Harrison Housing is obliged to comply and respond to any relevant legislation and regulatory standards. This policy is therefore subject to:
- Regulatory standards
 - Legislative changes
 - National Housing Federation guidelines
 - Obligations outlined in our license agreements
- 1.5 This policy will be reviewed annually & updated for any political or legislative changes affecting the Social Housing Sector's rent setting regime.

2. Policy Principles

- 2.1 The key principles relating to the policy are to:
- Comply with the regulatory Rent Standard and good practice.
 - Ensure that correct guidelines and legislation are followed when setting WMC's, applying charges and recharging costs.
 - Consider the affordability for our residents.
 - Ensure WMC's are set at a level which allows them to be let quickly.
 - Ensure Harrison Housing remains financially robust.

- Ensure that service charges applied to residents are fair and reasonable and that they are recharged in accordance with the terms of individual licenses.
- Ensure that all service chargeable costs incurred by Harrison Housing are recharged to those residents who can benefit from them.
- Ensure that applicable asset replacements and other larger costs are fully recovered from residents via depreciation.
- Ensure our processes are open, transparent and communicated to our residents who are provided with accurate and appropriate information at all times.

3. Implementation

- 3.1 All staff will be made aware of this policy through Harrison Housing's internal communication channels, including email.
- 3.2 Changes to this policy and its associated procedure, if applicable, will be communicated to all staff.
- 3.3 All staff will be required to read this policy, and to confirm that they have read and understood it.
- 3.4 This policy will be published to residents through our website.

4. Other Policies

- 4.1 This policy should be used in conjunction with the following policies:
- Data Protection and Confidentiality Policy
 - Delegated Authority for Expenditure Policy
 - Allocations Policy
 - Complaints Policy

5. Responsibility

- 5.1 The Trustees approve this policy annually after the Leadership Team's review and approval on the annual WMC and service charge setting based on information which demonstrates on-going compliance with the policy.
- 5.2 The Chief Executive is responsible for ensuring this policy is implemented and monitor the application of this policy.
- 5.3 The Finance Manager is responsible for reviewing, updating and amending this policy and associated procedures to reflect required changes.

- 5.4 We will notify the Local Authority of any changes to WMC's where we receive Housing Benefit directly. Residents in receipt of Universal Credit will be encouraged to notify the Department of Work and Pensions of changes in their charges so their Universal Credit entitlement can be recalculated.
- 5.5 Any complaints regarding service charges are dealt with by the Complaints Policy. The Complaints policy is the responsibility of the Head of Operations.

6. WMC and Service Charge Setting

- 6.1 Registered providers are required to comply with the Regulator of Social Housing's Rent Standard. It sets the required outcomes for how registered providers set and increase rents/WMC's for all their social housing stock in line with government policy as outlined in their Policy Statement on Rents for Social Housing.
- 6.2 In December 2024, The Regulator of Social Housing published the limit on annual rent increases from April 2025 onwards for existing residents. This should be read in conjunction with The Direction on the Rent Standard 2025. In September each year the annual CPI figure is set which is used to establish the limit on annual rent increases for social housing for the following April. The maximum annual rent/WMC increase is preceding September CPI +1%.
- 6.3 On new lets during the period we follow the Formula Rent calculation. Formula Rent is also increase annually by CPI plus 1%, unless the rent cap for that size of property is lower, in which case the rent cap will apply. Between 2016 and 2020 a rent decrease period was applied to registered providers, but Almshouses were excluded from this decrease. This is taken into account when calculating formula rents. We also apply the allowed 5% flexibility on formula rents for general needs and the 10% flexibility on formula rents for sheltered housing, subject to the rent cap.
- 6.4 Reported CPI figures can be found on the Office of National Statistics (ONS) website. The CPI figure used is the rate report from the preceding September (i.e. The CPI applied to April 2025 rents is based on September 2024 CPI rates).
- 6.5 The service charges applied by Harrison Housing are to cover the costs of services provided to residents in our Scheme's. Our aim is to recharge the costs associated with services provided in Scheme's in a fair and reasonable manner and in accordance with the terms of license agreements.
- 6.6 Charges are applied if the resident has access to the service even though some residents may choose not to use the services provided. For example a communal TV aerial, the costs would continue to be apportioned on the basis of whether a property has access to a service and not whether they decide to use it.

6.7 A list of the **Service Chargeable Costs** that Harrison Housing currently recharge can be found in **Appendix A**.

7. Resident Notification

7.1 For WMC increases legislation is clear that residents must be informed at least 4 weeks before the charge. This minimum notice period doesn't apply when the overall total WMC of the property is decreasing. However good practice means that we will aim to give our residents the maximum notice period possible to any change in their weekly maintenance and service charges - a minimum of 4 weeks.

7.2 Properties that are re-let within the existing charge period will be subject to a formula rent review for the WMC element of the charge and let at the higher rate if applicable, the budgeted service charge will not be recalculated mid-year.

8. Monitoring and compliance with Rent Standard

8.1 We will monitor the impact on allocations, income collection levels and repossessions regularly to ensure the effectiveness of this policy.

8.2 We will also monitor the impact on the financial viability of Harrison Housing using the long-term financial business plan.

9. Equality, Diversity, and Inclusion

9.1 For Harrison Housing, diversity is about respecting people's individual differences and ensuring that all people that come into contact with us have access to the same high standards of behaviour and service.

9.2 We are committed to ensuring that no resident or team member will be treated less favourably because of their protected characteristics.

Appendix A

Service Chargeable Costs

Service	HB Eligible	Comments
Cleaning, window cleaning and cleaning materials	Yes	Electricity bills covering communal areas are service chargeable.
Communal Electricity and Lighting	Yes	Lightbulb replacements in communal areas are service chargeable.
Communal Heating	Yes	Gas bills covering communal areas are service chargeable.
Communal Water rates	Yes	Water bills covering communal areas are service chargeable.
Individual Electricity	No	Electricity bills covering supplies to individual flats are service chargeable, but not HB eligible.
Individual Heating	No	Gas or Electric bills covering supplies to individual flats are service chargeable, but not HB eligible.
Individual Water Rates	No	Water bills covering supplies to individual flats are service chargeable, but not HB eligible.
Lift Insurance	Yes	Lift insurance cost is service chargeable,
Communal TV Aerial/Licenses	Yes	Communal TV costs for aerials, Repairs & Maintenance and TV licenses are service chargeable,
Electrical equipment and servicing	Yes	Electrical equipment and servicing cost is service chargeable.
Gardening and Grounds Maintenance	Yes	Gardening and Grounds Maintenance costs are service chargeable.
Risk Assessments	Yes	Risk Assessment costs are service chargeable.
Fire Alarm System	Yes	Fire Alarm System costs are service chargeable.
Lift Maintenance	Yes	Lift Maintenance costs are service chargeable.
Pest Control	Yes	Pest Control costs are service chargeable.
Laundry	Yes	Laundry costs are service chargeable.
Water Hygiene	Yes	Water hygiene costs are service chargeable.
Communal Boiler Maintenance	Yes	Communal Boiler Maintenance costs are service chargeable.
Door Entry System	Yes	Door Entry system costs are service chargeable.
CCTV	Yes	CCTV costs are service chargeable.
Gutter Clearance	Yes	Gutter Clearance costs are service chargeable.
Refuse/Rubbish Removal	Yes	Refuse and rubbish removal costs are service chargeable.
Housekeeping	Yes	Housekeeping costs are service chargeable.

Scheme Manager Charge	Partial	90% Scheme Manager salaries are service chargeable. 10% Scheme Manager salaries are service chargeable but not HB eligible, the same is true for Scheme Manager travel and insurance costs.
Staff Training	Yes	Scheme Manager training costs are service chargeable.
Scheme Staff Telephone	Yes	Scheme Staff Telephone costs are service chargeable.
Call Monitoring and Warden Call system	No	Call monitoring and warden call system costs are service chargeable but not HB eligible and appear in personal charges.
Administration Charge	Partial	An apportioned administration charge of Harrison Housing staff time is charged at 15% of HB eligible and non-HB eligible charges.
Communal Equipment Depreciation	Yes	Depreciation of the costs of communal equipment are service chargeable. The annual charge would be calculated by dividing the replacement costs by the assumed life span.