

IronOak Homes



IRON OAK

Service Charge Policy

Control Sheet

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01	June 2026	Head of Operations	New Policy

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1. Introduction

- 1.1. IronOak Homes (IronOak) is a Registered Provider of Social Housing (RP) and provides housing across all tenures including specialised and bespoke forms of accommodation for people with very high needs as well as supported housing for those with less intensive support requirements.
- 1.2. This policy supports IronOak's commitment to transparency, affordability, fairness, and resident-focused service delivery.

2. Policy Statement

- 2.1. IronOak is committed to ensuring that service charges are:

- Fair, reasonable and transparent;
- Clearly distinguished from rent;
- Based on the actual cost of delivering services to residents;
- Structured so that residents only pay for services from which they receive benefit;
- Reviewed regularly to ensure value for money;
- Set in a manner that supports affordability and financial sustainability;
- Compliant with relevant legislation, regulatory requirements and tenancy agreements.

- 2.2. We recognise that service charges can have a significant impact on the affordability of accommodation and therefore seek to balance cost recovery with our commitment to supporting residents to sustain their tenancies and live independently.

3. Scope

- 3.1. This policy applies to all accommodation owned or managed by IronOak where service charges are levied on residents.
- 3.2. This policy should be read alongside:
 - Rent Policy;
 - Tenancy Agreements and Licences;
 - Financial Regulations;
 - Resident Engagement Framework;
 - Complaints & Feedback Policy.

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4. Policy Objectives

4.1. The objectives of this policy are to:

- Establish a clear and consistent approach to setting service charges;
- Ensure service charges are fair and evidence-based;
- Promote transparency and resident understanding;
- Recover legitimate costs associated with providing services;
- Ensure compliance with regulatory and legal requirements;
- Support affordability and tenancy sustainability;
- Demonstrate value for money in service delivery;
- Ensure residents are not charged for services that should properly be funded through other sources.

5. Relevant Documents and Legislation

5.1. IronOak will set service charges in accordance with relevant legislation, regulation and best practice guidance, including:

- Housing and Regeneration Act 2008;
- Rent Standard (as amended from time to time);
- Consumer Standards issued by the Regulator of Social Housing;
- Tenancy and leasehold legislation where applicable;
- Relevant Housing Benefit and Universal Credit guidance.

5.2. Service charges must be set in a manner that is lawful, transparent, reasonable and capable of being clearly evidenced.

6. Principles of Service Charge Setting

6.1. The following principles underpin this policy:

6.1.1. Resident Focus

Service charges will be designed around the needs of residents and the services required to support safe occupation and independent living.

6.1.2. Fairness

Residents will only pay charges that are attributable to services they receive or benefit from. Costs will be apportioned fairly across schemes and individuals.

6.1.3. Transparency

Residents will be provided with clear information explaining:

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- What they are being charged for;
- How charges have been calculated;
- Any changes made during annual reviews.

6.1.4. Affordability

IronOak will consider affordability and value for money when procuring and delivering services.

6.1.5. Cost Recovery not Profit

Service charges are intended to recover the reasonable cost of delivering eligible services and are not intended to generate surplus income.

6.1.6. Accountability

All service charges must be supported by evidence and be capable of audit and resident scrutiny.

7. Service Charge Categories

7.1. Service charges cover those housing-related personal services and costs that are separate from rent.

7.2. Charges may include the following categories where applicable:

7.2.1. Core Communal Housing Services (eligible service charges)

- Communal lighting;
- Communal heating systems;
- Cleaning of communal areas;
- Grounds maintenance;
- Waste management services;
- Fire safety servicing and testing;
- Security systems and monitoring;
- Door entry systems;
- Lift servicing and maintenance;
- Window cleaning;
- Pest control;
- Provision of furniture and equipment within communal areas.

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7.2.2. Housing Management Related Services (eligible OR ineligible service charges)

Where eligible, housing-related services directly connected with the occupation and management of the accommodation may be included.

Examples may include:

- Scheme management functions;
- Concierge services;
- Housing-related support functions where eligible;
- Specialist accommodation management costs.

8. Personal Charges (ineligible service charges)

8.1. In addition to communal service charges, residents may be required to contribute towards personal consumption costs where these are provided through IronOak and cannot reasonably be billed directly to a resident.

8.2. Examples include:

- Personal fuel usage;
- Individual electricity usage;
- Individual gas usage;
- Personal water charges;
- Sewerage charges where recoverable;
- Housing-related support charges where applicable and eligible.

8.3. These charges will:

- Reflect actual usage wherever possible;
- Be based on meter readings, supplier costs or transparent allocation methodologies;
- Be reviewed regularly to ensure fairness and accuracy;
- Be clearly identified separately from rent.

8.4. IronOak will seek to minimise estimated charging and utilise actual consumption data wherever reasonably practicable.

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9. Exclusions

9.1. Service charges must not include:

- Costs already recovered through rent;
- Costs unrelated to housing provision;
- Corporate overheads that cannot reasonably be attributed to residents or schemes;
- Costs funded directly through another statutory funding stream;
- Charges that residents are not contractually liable to pay.

10. Setting Service Charges

10.1. Service charges are set using 'fixed charge' methodology these will be calculated annually using the best available information regarding:

- Actual expenditure from previous years;
- Known contractual costs;
- Anticipated inflationary increases;
- Utility forecasts;
- Planned service requirements.

10.2. When establishing new schemes, charges will be based upon:

- Budgeted expenditure;
- Procurement costs;
- Utility estimates;
- Comparable scheme information where appropriate.

10.3. All calculations must be supported by documented evidence.

11. Apportionment of Costs

11.1. Where services are provided to multiple residents, costs will be apportioned using a methodology that is fair, reasonable and proportionate.

11.2. Methodologies may include:

- Equal division between residents;
- Division based upon occupancy levels;

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- Metered consumption;
- Other objective allocation methods appropriate to the service.

12. Annual Review of Service Charges

12.1. Service charges will normally be reviewed annually alongside rent reviews.

12.2. The annual review will consider:

- Actual costs incurred;
- Changes in service provision;
- Utility price changes;
- Inflationary pressures;
- Opportunities to improve efficiency and value for money.

12.3. Where material over- or under-recovery has occurred, IronOak may adjust future service charge levels to ensure charges remain reasonable and reflective of actual costs.

13. Consultation and Communication

13.1. IronOak is committed to engaging openly with residents regarding service charges.

13.2. Residents will receive:

- Clear breakdowns of charges;
- Explanations of significant changes;
- Information regarding the services provided;
- Opportunities to raise questions or seek clarification.

13.3. Where significant changes to services are proposed, resident feedback will be considered as part of the decision-making process.

14. Value for Money

14.1. IronOak will seek to achieve value for money by:

- Procuring services competitively where appropriate;
- Regularly reviewing contracts;
- Monitoring service quality and performance;
- Seeking resident feedback;

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- Challenging costs that do not deliver demonstrable resident benefit.

14.2. The objective is to ensure residents receive quality services at a fair and proportionate cost.

15. Roles and Responsibilities

15.1. Board

15.1.1. The Board is responsible for:

- Approving the annual service charge framework;
- Overseeing compliance with this policy.
- Receiving recommendations from the Resident Committee

15.2. Executive Leadership Team

- Ensuring implementation of this policy;
- Reviewing the annual service charge framework;
- Sample supporting evidence and receive assurance.

15.3. Operations Team

15.3.1. The Operations Team is responsible for:

- Ensuring implementation of this policy;
- Maintaining accurate service charge calculations;
- Aligning with legislative changes;
- Ensuring supporting evidence is retained;
- Reviewing affordability and fairness considerations.

15.4. Finance Team

15.4.1. The Finance Team is responsible for:

- Producing service charge calculations;
- Monitoring expenditure and recovery against budget;
- Maintaining financial records supporting charges.

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16. Monitoring and Assurance

16.1. IronOak will undertake regular reviews of service charge calculations and supporting evidence to ensure:

- Charges remain reasonable;
- Residents are only charged for eligible services;
- Costs are appropriately apportioned;
- Service charge income reflects actual service provision.

16.2. Periodic internal audits may be undertaken to provide assurance to the Board.

17. Review

17.1. This policy will be reviewed annually or sooner where required by:

- Changes in legislation;
- Regulatory updates;
- Changes to benefit rules;
- Significant operational changes;
- Lessons learned from resident feedback or complaints.