



# Resident-Led Scrutiny Report Service Charges

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# 1. Introduction

- 1.1** The Customer Influence Committee (CIC) oversees resident-led scrutiny as part of the Resident Charter. In April 2025, CIC agreed an evolved approach to scrutiny and selected service charges as one of the areas for review in 2025/26.
- 1.2** To define the scope of the Service Charge Review, we analysed resident feedback from surveys, complaints, and Tenant Satisfaction Measures to identify what residents are telling us about service charges and where scrutiny would be best placed.
- 1.3** CIC approved the approach to this review and the overall objective of “How can Eastlight ensure that service charges are shared and allocated in a consistent and transparent way?”. A lead from CIC was chosen, and a small scrutiny group of residents was recruited and supported with training and guidance. The group of residents involved in the scrutiny will hereafter be referred to as “the Group”, “the scrutineers” or “the residents” throughout this report.
- 1.4** The review was delivered through three workshops, each focused on a key theme. Staff presented information and residents worked collaboratively to develop recommendations. 10 recommendations were made, many linked to improving communication, all have been accepted by Eastlight (full details are in section 3).
- 1.5** For more detail on the objectives, scope, methodology and lessons learned from this review, see Appendix A.

# 2. The Scrutiny Review

## **Session 1: Which tenancies/leases are eligible for a cap and how they are applied**

- 2.1** The first session introduced service charges, explaining how they work, what is charged and how they apply to different tenures. Residents raised questions about what counts as “communal” and discussed responsibilities for different items such as repairs and insurance. There was discussion about how service charges fluctuate based on services provided, and that residents only pay for amenities they use.
- 2.2** The Group explored the financial challenges Eastlight faces, including a £1.2 million annual deficit caused partly by caps on service charges. They were shown the proposals to remove caps and the Group debated whether removing caps would impact affordability, especially for pensioners and low-income residents. The Group discussed the impact on those not eligible for benefits and the need for transparency to avoid sudden financial shocks.
- 2.3** The scrutineers highlighted the importance of proactive communication. Residents

stressed that Eastlight should clearly explain why changes are necessary and prepare households for gradual increases. Messaging should be tailored for different groups.

**2.4** The group agreed that the deficit of £1.2 million is unsustainable and supported a phased approach to removing caps but recommended that clear, tailored communication and resident engagement will be essential to ensure changes are understood and manageable.

### **Session 2: Which sorts of charges are included in service charges**

**2.5** The second session examined the range of charges, how they apply to different tenure types and how responsibilities vary. For rented homes, Eastlight takes on more responsibility than for leasehold or shared ownership properties. The group discussed a range of different costs charged via service charge including administrative charges, communal utilities and audit fees.

**2.6** The need to improve communication emerged as a key theme. Ideas included publishing details online, creating visually engaging flyers with service schedules, and using notice boards and digital platforms like “My Eastlight Portal”. The Group discussed the importance of Neighbourhood Leads to improve accountability and support residents who struggle to raise concerns. Suggestions extended to better contractor oversight and sharing positive feedback alongside complaints.

**2.7** The residents reviewed resident survey data and identified leaseholder dissatisfaction as a key area of focus, with over 80% of those surveyed reporting they do not receive good value. The Group recommended further investigation to understand what “value” means to leaseholders and tailoring communication accordingly.

**2.8** The Group accepted the types of charges included in service charges are reasonable but highlighted the need for better communication and transparency and the need to undertake further work with regard to leaseholders.

### **Session 3: Methods of apportionment**

**2.9** The final session focused on how service charges are split fairly among residents. Eastlight explained that costs are divided at different levels - scheme, building, block, and property. The residents queried what would happen if a resident does not use the shared service e.g. in the case of a ground floor flat paying for lift maintenance, and it was understood that charges follow the tenancy or lease agreements. Examples and diagrams were shared to clarify these principles, and an action was agreed to update FAQs and the website with simple explanations and visuals.

**2.10** The discussion then turned to resident voice. Members emphasised the importance of timely communication and support from Neighbourhood Leads, recommending training and resource packs to help them answer queries.

**2.11** The Group agreed that apportionment principles are fair but stressed the need for clearer communication. Training for Neighbourhood Leads and accessible online resources will be key to improving understanding and trust among residents.

**2.12** Reflecting on the scrutiny review overall, participants complimented the transparency and collaborative approach and liked the smaller group as they felt their voice was heard. They felt more informed about service charges and committed to sharing knowledge with other residents. The Group suggested publishing progress updates on scrutiny actions and ensuring materials for future reviews are sent well in advance, particularly for those whose preference is to receive paper copies.

### 3. Recommendations and Improvement Actions

Number	Recommendation	Eastlight's Response	Improvement Action	By Who	By When
SC01-01	<p>Eastlight to start a proactive communication strategy as soon as possible to start preparing residents for upcoming changes. Messaging should be tailored to different groups, such as pensioners and those on benefits.</p>	<p>The changes to how we charge service charges are working their way through Board approval.</p> <p>We have pre-emptive letters planned for January, targeted to residents impacted by the change from historic cost to budget based estimates. We will also send letters to a second target group, which are those affected by the removal of service charge caps.</p> <p>We will include information in these letters about how the changes affect different groups.</p>	<p>Once the changes to how we charge service charges are approved at Board, we will communicate to residents before the service charge letters are sent. We will include information about how the changes affect different groups.</p>	Director of Communications	28/02/2026
SC01-02	<p>Eastlight should ensure that the impact on different groups of people is considered when plans to remove the cap are implemented such as pensioners and those on low income.</p>	<p>To calculate the impact on people, the budget for 2026/27 needs to be in place. This is currently being worked on.</p> <p>Once the budget for specific services and areas is known, we will work out the service charge estimates, map who is impacted and do some analysis on residents affected. This will be checked by Executive Management Team before any</p>	<p>We will calculate the impact on residents based on estimated service charges for 2026/27. We will then analyse this impact using the information we have about the residents / tenure in a way that is proportionate and useful. We will then check this impact before any charges are applied to accounts.</p>	Head of Finance	28/02/2026

Number	Recommendation	Eastlight's Response	Improvement Action	By Who	By When
		<p>charges are applied to resident accounts.</p> <p>The level of analysis that we can complete will be limited by the information we have on file, as we do not hold information for all residents on their personal circumstances.</p>			
SC02-01	<p>Eastlight to create a 'My Service Charges' area on website to include:</p> <ul style="list-style-type: none"> <li>• Signposting for residents to check leases and tenancy agreements</li> <li>• A list of common charges and explaining what they are in plain speak</li> </ul>	<p>We agree that this is a good idea. The website will include a page explaining service charges for the different tenures, FAQs and information on the service charge improvement project</p>	<p>We will update the Eastlight website to include:</p> <ul style="list-style-type: none"> <li>• A page explaining service charges for the different tenures</li> <li>• FAQs and information on the service charge improvement project</li> <li>• Principles of service charges</li> <li>• Clear statement that residents only pay for services they receive and direct residents to their lease/agreement for details.</li> <li>• A simple explanation of apportionment with the diagram showing different levels (scheme, building, block)</li> <li>• Keep FAQs updated each year when charges rise</li> </ul>	Communications Manager (Corporate and Public Affairs)	28/02/2026
SC02-02	Eastlight to produce a flyer/leaflet/information document which:	We agree that this is a good idea, however, we will need to wait until 'My Eastlight Team' has been rolled out and embedded to complete this in a way that is useful to	Once 'My Eastlight Team' is embedded, we will work with the Neighbourhoods team to create a document that includes information about suppliers, other partners and contact details	Director of Communications	30/09/2026

Number	Recommendation	Eastlight's Response	Improvement Action	By Who	By When
	<ul style="list-style-type: none"> <li>• Is visually engaging</li> <li>• Can be used as a reference guide to be pinned to fridges (such as a bin schedule)</li> <li>• Is put up in notice boards of communal areas</li> <li>• Includes information on services provided and regularity/schedule</li> <li>• Includes information on who is providing the service and who to contact if there are any issues (e.g. in the case of a contractor providing and not Eastlight)</li> <li>• Includes the named contact from 'My Eastlight Team', and other Eastlight contact methods</li> </ul>	<p>residents.</p> <p>We will then work with the Neighbourhoods team to identify suppliers and other partners and create the document.</p>	<p><a href="#">to give to residents.</a></p>		
SC02-03	Eastlight to explore what information can be shared on 'My Eastlight' portal in relation to service charges so residents can self-serve digitally	<p>We are planning to include information on self-service and a breakdown of charges on the portal; however implementation is planned after other essential development has been completed.</p> <p>We also plan to extend the use of 'My</p>	<p><a href="#">We will develop 'My Eastlight portal to include information on service charges to help residents self-serve.</a></p> <p><a href="#">We will roll 'My Building Safety' app to</a></p>	<p>Head of Neighbourhoods</p> <p>Head of Compliance</p>	<p>30/09/2026</p> <p>30/09/2026</p>

Number	Recommendation	Eastlight's Response	Improvement Action	By Who	By When
		Building Safety' app to schemes that have a high proportion of leaseholders, enabling direct access to compliance-related documentation.	leasehold blocks that have a higher proportion of leaseholders.		
SC02-04	<p>Eastlight to ensure that communications around service charges are considered within the new 'My Eastlight Model':</p> <ul style="list-style-type: none"> <li>• For Neighbourhood Leads to act as named contacts for residents to raise service charge related queries</li> <li>• Neighbourhood Leads to communicate to residents what services are being provided and raise queries if services are not supplied/up to standard</li> <li>• Neighbourhood Leads to act as advocate for those in community who are less able to raise concerns</li> </ul>	<p>It is an expectation from day one of 'My Eastlight Team' that Neighbourhood Leads will be the point of contact for service charge queries, which we have communicated to residents when we have discussed rents and income, and services in your areas.</p> <p>We can make this communication more specific / remind residents of this, so in the 2026/27 notifications of new service charges we will make reference to Neighbourhood Leads so residents know who to contact.</p> <p>We are also exploring how Finance and Housing teams can work more closely together to improve communication around service charges.</p>	<p><a href="#">In 2026/27 notifications of new service charges we will reference the Neighbourhood Leads so residents know who to contact.</a></p> <p><a href="#">We will strengthen collaboration between Finance and Housing teams e.g. finance team members will attend housing team meetings.</a></p> <p><a href="#">Neighbourhood Leads to be given a general overview of the topic to help residents with basic service charge queries and to know whom to contact with more complex questions.</a></p>	Head of Neighbourhoods / Head of Finance	31/03/2026
SC02-05	Eastlight to publicise a 'you	We agree it is important to give feedback	<a href="#">We will include a 'you said, we did' section</a>	Service Charge	28/02/2026

Number	Recommendation	Eastlight's Response	Improvement Action	By Who	By When
	said we did' to respond to feedback received in the two service charge surveys	on what we have done following the two service charges surveys and will include as part of the service charge improvement project section of the service charge web page.	regarding the two service charge surveys as part of the service charge improvement project section of the service charge web page.	Project Manager	
SC02-06	<p>Eastlight to explore why leaseholders are dissatisfied with service charges:</p> <ul style="list-style-type: none"> <li>• Look into whether the mix of tenure where the leaseholder lives influences dissatisfaction</li> <li>• Conduct a further survey to explore why they are dissatisfied, and in particular what good value looks like to them, and what charges they receive which they think are not good value</li> <li>• Tailor communication to leaseholders taking account of findings of the above</li> </ul>	<p>We acknowledge that leasehold satisfaction scores are low, and whilst this tends to be the case across the sector, we need to improve. We are currently agreeing an action plan to address this following analysis of the 2024/25 TSM results.</p> <p>Leaseholders are a relatively small group of residents, so we need to be careful of over surveying them. We will consider the best method of resident engagement to explore why they are dissatisfied.</p> <p>The leasehold team will be developing our service offering for leaseholders as part of 'My Eastlight Team'. We also have an internal audit planned for 2025/26 and work is underway to improve how we manage managing agents which should help leaseholder satisfaction.</p>	<p>We will consider running resident engagement with leaseholders to understand why they are dissatisfied.</p> <p>We will carry out an internal audit on the Leaseholder service.</p> <p>We will develop our leaseholder offer, taking learning from resident engagement and internal audit and taking action as appropriate.</p> <p>We will actively manage managing agents, having dedicated point of contact to improve our relationship with managing agents.</p>	<p>Head of Housing Operations / Neighbourhoods</p> <p>Head of Housing Operations</p> <p>Head of Housing Operations</p> <p>Head of Compliance and Assurance</p>	<p>30/06/2026</p> <p>31/03/2026</p> <p>30/09/2026</p> <p>30/09/2026</p>
SC02-07	Eastlight to conduct a further survey to understand why residents don't feel that the	Learning from the resident scrutiny group on service charges and the various actions we will take to communicate more clearly	We will review FAQs in time for service charge notifications for 2026/27. We will check these with Heads of Service and Customer Service	Finance Manager	28/02/2026

Number	Recommendation	Eastlight's Response	Improvement Action	By Who	By When
	service charge FAQs are satisfactory	with residents as a result e.g. explaining service charges in plain speak, creating a website page and using Neighborhood Leads as a point of contact will help residents understand their service charges better.	Team to pick up any frequently asked questions that are not included.  We will include FAQ information on the new website.		
SC02-08	Eastlight to review procurement of communal utilities and whether Eastlight are getting best value	We always look for best value when we procure contracts. We have just renegotiated the contract for electricity and have been able to achieve better rates, which will apply from January 2026.  We will continue to negotiate utility contracts to get best terms when they come up for renewal.	We have renegotiated the electricity contract and achieved better rates.	Procurement Manager	Complete

# APPENDIX A – Objective, Scope, Methodology and Lessons Learned

## Objectives

The focus of the scrutiny review was to answer the following question:

*“How can Eastlight ensure that service charges are shared and allocated in a consistent and transparent way?”*

## Scope

The scope of this scrutiny review covered general processes around how we share and allocate service charges including:

- Which sorts of tenancies/leases are eligible for a cap and how they are applied, including how charges are then apportioned to others without a cap on the same block
- Which sorts of charges are included in service charges and which are not
- Methods of apportionment including numbers of flats, individual charges and square meterage

The scope did not include the following areas:

- Individual calculations of particular schemes or properties
- Quality of services
- Choices over providers of services or level of service

## Defining the Process and Methodology

Customer Influence Committee (CIC) holds overall responsibility for resident-led scrutiny, ensuring that residents have a meaningful role in shaping services. This approach aligns with the commitments set out in the Resident Charter, which includes scrutiny as a key element of resident involvement.

In April 2025, CIC agreed an evolved approach to scrutiny, and chose the areas of scrutiny focus for 2026/27, one of which being service charges.

To further define the scope of the review we analysed resident voice from multiple sources, including:

- Tenant Satisfaction Measures (TSMs)
- Survey Data
- Complaints

Two potential areas of focus for the scrutiny were developed and discussed with CIC, who approved the overall objective of the review which was broken down into three key areas which formed the scope of the review.

To form the scrutiny group, we approached residents who had previously expressed interest in scrutiny activities and attempted direct outreach to individuals who had provided feedback on service charges TSMs and consented to contact. While this method did not yield additional participants this time, it remains a strategy we will continue to explore. Ultimately, we aimed to recruit seven members plus the CIC lead; however,

after withdrawals and apologies, the final group consisted of five residents and the CIC lead.

Prior to starting the exercise, we ensured that staff and residents were trained on scrutiny by resident involvement experts TPAS, we also created our own bitesize training for those that were unable to attend the in-person sessions. We continued to use TPAS to advise on the service charge scrutiny, and created documents such as Terms of Reference, Agendas, and Our Scrutiny principles to keep us on track.

Pre-read materials and minutes were circulated via email a week in advance of meetings to allow the scrutineers time to read and prepare questions ahead of the workshops.

The service charge review was delivered as a task-and-finish style scrutiny exercise taking place across three workshops. Each workshop was structured around one of the three themes. Staff leads presented relevant information to the scrutiny group, who then reviewed and discussed the findings. Recommendations were developed collaboratively after each session, with minutes circulated and agreed upon.

The final workshop included a reflection exercise to capture lessons learned, which will inform future scrutiny activities.

### Lessons Learned

The CIC lead invited scrutineers to share feedback about the scrutiny review undertaken.

The Group reflected on the experience saying that:

- Staff and the scrutiny review were transparent and focused on the scope
- Having a smaller group made it easier to capture everyone's ideas.
- The review was eye-opening and now the six participants understand how service charges work and can share knowledge with other residents.
- The group suggested posting summary of progress against the actions to residents involved in scrutiny.
- The group suggested during next scrutiny reviews, ensure send paper copies earlier because of post delays to ensure all participants get the materials seven days in advance e.g., 10-14 days in advance of a meeting, the staff members agreed that a two week gap between meetings was a short period to write up minutes, prepare materials for the next session and circulate in good time

Other lessons learned and amendments for future scrutiny activities:

- Aim for 3-4 week gaps between workshops on task and finish meeting and send papers out at least 10 days in advance of the meeting
- Share final report with scrutineers, consider a 'reunion' meeting to look back on changes implemented following the scrutiny review
- Aim to hold in person meetings in the Café Area (downstairs) – a fire drill with evacuation was held during meeting three where the workshop was being held on the first floor - this illustrated the importance of H&S risk assessments and that having residents upstairs needlessly increases H&S risk
- Expect some withdrawals so over recruit to activities.

**Eastlight Community Homes**  
Eastlight House, Charter Way  
Braintree  
Essex  
CM77 8FG

0330 128 0330  
[www.eastlighthomes.co.uk](http://www.eastlighthomes.co.uk)  
[customer.services@eastlighthomes.co.uk](mailto:customer.services@eastlighthomes.co.uk)

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 [eastlight-community-homes](#)

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