

SVC Feedback Meeting with Ad Esse (SVC Consultant) and various partners

Date: 01.12.25

Time: 11.00am

Disclaimer

All recommendations outlined in this document are subject to executive board sign-off before implementation.

Summary

NHG is implementing a comprehensive service charge improvement program to address historic inaccuracies, enhance transparency, and modernise systems and processes. The plan covers governance, data integrity, resident communication, and organisational structure, with phased implementation through late 2026. Dan (the consultant from Ad Esse working on the wider SVC review project for NHG) attended this meeting with partners on Woodberry Down to run through the findings of the review. Partners provided feedback on their experiences with NHG service charges throughout the meeting.

1. Service Charge Review and Current Challenges

- Historic review completed for 18 blocks and 5 estates. Service charges for 2023/24 and 2024/25 remain outstanding, aim to send to residents in Q1 2026.
 - Past charges have been inaccurate and delayed across NHG, driving a shift toward greater transparency and reliability.
 - Current tenure-based accounting aggregates costs by tenure, causing inaccuracies. A scheme-based model is proposed for clearer cost control and resident understanding.
 - Key challenges raised by RH:
 - Mixed management arrangements (e.g., Rendall & Rittner) create billing discrepancies.
 - Misaligned accounting years between NHG and third-party agents complicate budgeting and require stronger relationships and legislative leverage.
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2. Strategic Improvements in Data, Processes, and Systems

- Transition to scheme-based accounting across NHG stock to improve cost accuracy.
- Remove inappropriate cost codes (e.g., lift costs for buildings without lifts).

- Redesign processes to centralise specialist knowledge and standardise workflows, reducing skill gaps.
 - Local officers will focus on resident engagement, while a specialist team manages technical accounting.
 - Procurement of a new integrated service charge system planned by March 2024, with implementation by late 2026, reducing reliance on spreadsheets.
 - Procurement will prioritise best-practice systems, avoiding past failures like Ensemble.
 - Comprehensive training and clear accountability will support process redesign.
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3. Resident Communication, Consultation, and Transparency

- Communications will be simpler and layered, showing year-on-year changes with clear explanations.
 - Documents will include a summary upfront with detailed breakdowns for self-service.
 - Consultation will target residents with significant charge changes, enabling meaningful engagement through surgeries and meetings.
 - New approach addresses past gaps caused by system limitations.
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4. Organisational Structure and Specialist Team Development

- NHG will create a centralised specialist service charge team to standardise processes and support local officers.
 - The team will act as a second line of defence, ensuring consistent handling and resident responses.
 - Size and structure will be finalised once redesigned processes are understood; updates expected by March.
 - Collaboration between service charge, IT, and finance teams has already improved backlog management and Section 20B compliance.
 - Local engagement will remain, supported by specialist expertise.
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5. Future Developments and Phase Four Considerations

- Concerns raised about repeating Phase 3 issues in Phase 4, managed by Berkeley's Management Agency.
 - Early engagement with developers and agents is critical to design out unnecessary charges.
 - Service charge considerations will be embedded in development design to influence costs before schemes go live.
 - Lessons learned from earlier phases will be shared with design teams.
 - If approved, Dan will return in March 2026 with an implementation update and structural chart.
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6. Project Governance and Commitment

- Executive-level commitment and budget allocation confirmed for the new system and centralised team.
 - Procurement planned by March 2024, with phased implementation into late 2026.
 - Project will continue beyond current leadership involvement, embedding systems, processes, and training.
 - Follow-up sessions post-implementation will review outcomes and future plans.
 - Regular updates will be provided to WDCO via board reports and interim communications.
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Next Steps:

- Await executive board sign-off on all recommendations.
- Jada to provide regular updates on the wider project as part of monthly WDCO board report, as and when available.