

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

21 SEPTEMBER 2010

REPORT OF HEAD OF FINANCIAL SERVICES

HOUSING REVENUE ACCOUNT (HRA) - REVIEW OF FEES AND CHARGES 2011/12

1.0 PURPOSE OF REPORT

- 1.1 To provide information on the various fees and charges that are made by this committee for the HRA.
- 1.2 To recommend changes to these charges to operate from 1 April 2011, other than Council dwelling rents which will be subject to a separate report to be presented to this committee in January 2011.

2.0 RECOMMENDATIONS

- 2.1 That the committee determines the level of charges for 2011/12 for each of the services set out in the attached table as per Appendix A.

3.0 KEY ISSUES

- 3.1 This report deals with fees and charges for the Housing Revenue Account.

The proposed charges for services within the HRA for the financial year 2011/12 are set out below and in Appendix A.

3.2 Accommodation Charges

- 3.2.1 Charges are made to tenants of sheltered schemes for the provision of ancillary services in addition to the rent that is charged for the dwelling. The recommended charges for 2011/12 are set to recover the full costs of providing the ancillary services. Such payments are eligible in full in determining a tenant's entitlement to housing benefit.

Scheme	No. of Units	Existing Weekly Charge	Prop. Weekly Charge	Increase / Reduction (-)	Increase/Reduction (-) Annual Income
		£	£	£	£
<u>HRA- Accommodation Costs only</u>					
<u>Flats</u>					
Wilton Court, Melton Mowbray	23	16.39	16.77	0.38	454
Granby Flats, Melton Mowbray	30	12.27	12.54	0.27	421
Bradgate Flats, Asfordby	21	14.10	14.45	0.35	382
St John's Court, Melton Mowbray	38	3.32	3.43	0.11	217
<u>Bungalows/Flats</u>					
Burnaby Place, Asfordby	36	0.29	.30	0.01	19
Bradgate Lane, Asfordby	10	9.15	9.32	0.17	88
Granby Drive, Bottesford	16	6.09	6.19	0.10	83
Granby Drive, Bottesford (8,12,24,28)	4	5.99	6.08	0.09	19
					1,683

The changes reflect actual expenditure, inflation and allowances for specific items of

expenditure on fixtures, fittings and equipment at the schemes.

3.3 Sheltered Schemes – Heating Charges

The cost of supplying space heating and hot water at Wilton Court and Bradgate Flats has been reviewed. Heating charges are not eligible to be taken into account for housing benefit purposes.

	Number of Units	Existing Weekly Charge £	Proposed Weekly Charge £	Increase/Reduction (-) £	Increase in Annual Income £
Wilton Court					
Bedsit Flats	14	4.23	2.86	-1.37	-997
1 Bed Flats	9	5.02	4.45	-0.57	-267
<u>Bradgate Flats</u>					
1 Bed Flats	20	7.08	6.94	-0.14	-146
Warden's Flat	1	13.15	12.89	-0.26	-14
					<u>-1,424</u>

The changes reflect actual expenditure and the reduction in energy prices and the need to recover costs from the 2010/11 actual prices.

3.4 Guest Room Charge

Existing Daily Charge	Proposed Daily Charge	Increase £	Increase in Annual Income
£4.20	£4.40	0.20	£32

The increase is required to meet the requirement of the HRA Business Plan.

3.5 Charge for Use of Rooms in Sheltered Schemes and Community Centres

Existing Hourly Charge	Proposed Hourly Charge	Increase £	Increase in Annual Income
£11.50	£12.10	0.60	Negligible

The increase is required to meet the requirement of the HRA Business Plan.

3.6 Gretton Court

3.6(a) The amounts shown are additional to the rent charge for the use of the dwelling.

	Number of Units	Existing Weekly Charge £	Proposed Weekly Charge £	Increase/Reduction (-) £	Increase In Annual Income £
<u>Heating Charges</u>					
1 Bed Flats	33	4.02	3.57	-0.45	-772
1 Bed Disabled Persons Flats	5	4.58	4.06	-0.52	-135
Bedsit Flats	4	3.16	2.81	-0.35	-73
3 Bed Warden's House	2	9.71	8.62	-1.09	-113
<u>Electricity Charges</u>	42	5.34	6.39	1.05	2,293
<u>Midday Meal Charge</u> (per person)	45	41.70	43.33	1.63	3,814

<u>Accommodation Charges</u>	42	33.90	32.77	-1.13	<u>-2,468</u>
					<u>2,546</u>

The charges reflect the actual expenditure plus inflation.

3.7 Water and Sewerage Charges – Bradgate Flats

Number of Units	Existing Weekly Charge	Proposed Weekly Charge	Increase £	Increase in Annual Income
21	£1.17	2.19	1.02	£1,114

3.8 TV Aerial Charge

Number of Units	Existing Weekly Charge	Proposed Weekly Charge	Increase £	Increase in Annual Income
621	£0.66	£0.68	0.02	£646

This increase is in line with the provider contract June 2005-April 2020.

3.9 Midday Meal Charges

Number of Meals	Existing Weekly Charge	Proposed Weekly Charge	Increase £	Increase in Annual Income
6,927	£2.75	£3.00	0.25	£1,732

The increased charge better reflects the actual expenditure.

3.10 Communal Area Cleaning

The Communal area cleansing charge will be referred to this committee in January 2011, at the same time as the rent setting report.

3.11 Garage Rents

	Existing Rent per Week £	Proposed Rent per Week £	Increase £
Council Tenants	5.20	5.45	0.25
Non Council Tenants	5.90+VAT	6.20+VAT	0.30+VAT

The increases are to meet the requirement of the HRA Business Plan.

4.0 POLICY & CORPORATE IMPLICATIONS

4.1 There are no further policy and corporate implications arising from this report.

5.0 FINANCIAL & OTHER RESOURCE IMPLICATIONS

5.1 The increased charges would provide additional resources of £10,065 in total to the HRA. (£3,736 for Garage income). This will be fed into the estimates being set for 2011/12 which will be presented to members with the rent setting recommendations in January 2011.

5.2 Further details relating to usage and increases in charges are shown at Appendix A.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 Local Authorities have certain limited freedoms to charge for discretionary services under the Local Government Act 2003. Where appropriate any other relevant legislation is noted within the Appendix A to this report.

7.0 COMMUNITY SAFETY

7.1 There are no direct links to community safety arising from this report.

8.0 EQUALITIES

8.1 The concession policy agreed by the Council has implications on equalities and is expected to be more likely to benefit rather than to adversely affect any minority group, as it is aimed at ensuring fair access to all residents linked to their ability to pay. An equalities impact assessment has previously been undertaken and reported to the Equalities Steering Group.

9.0 RISKS

9.1 A possible risk to the Council is that budgeted revenue income may not be achieved if services are not taken up due to any charges increase. Income budgets are regularly monitored and where a downturn in demand is identified appropriate action is taken.

10.0 CLIMATE CHANGE

10.1 There are no climate change issues directly arising from this report.

11.0 CONSULTATION

11.1 Budget Holders carried out the review with the assistance of the Service Accountant and the Head of Social & Economic Development as required with reference to current budget monitoring protocols.

12.0 WARDS AFFECTED

12.1 All wards are affected

Contact Officer: Carol King

Date: 25 August 2010

Appendices: Appendix A – Review of Fees & Charges 2011/12

Background Papers: Review of Fees & Charges 2011/12

Reference: X: Committees/CSA/2010-11/21-9-10/DG-HRA Review of Fees & Charges

