

19 SEPTEMBER 2012

**REPORT OF HEAD OF CENTRAL SERVICES AND HEAD OF COMMUNITIES &  
NEIGHBOURHOODS**

**HOUSING REVENUE ACCOUNT (HRA) - REVIEW OF FEES AND CHARGES 2013/14**

**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 2013, other than Council dwelling rents which will be subject to a separate report to be presented to this committee in January 2013.

**2.0 RECOMMENDATIONS**

- 2.1 **That the committee determines the level of charges for 2013/14 for each of the services set out in the attached table as per Appendix A;**
- 2.2 **The guest room charges are amended to reflect a per person charge as opposed to a per room charge in line with the associated costs.**

**3.0 KEY ISSUES**

- 3.1 This report deals with fees and charges for the HRA. The proposed charges for services within the HRA for the financial year 2013/14 are set out below and in Appendix A.

**3.2 Accommodation Charges**

Charges are made to tenants of sheltered schemes for the provision of ancillary services. These are in addition to the rent that is charged for the dwelling. The recommended charges for 2013/14 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	17.51	17.95	0.44	526
Granby Flats, Melton Mowbray	30	12.85	12.98	0.13	203
Bradgate Flats, Asfordby	21	15.21	15.65	0.44	480
St John's Court, Melton Mowbray	38	3.60	3.68	0.08	158
<u>Bungalows/Flats</u>					
Burnaby Place, Asfordby	36	0.31	0.32	0.01	19
Bradgate Lane, Asfordby	10	9.57	9.75	0.18	94
Granby Drive, Bottesford	16	6.34	6.45	0.11	92
Granby Drive, Bottesford (8,12,24,28)	4	6.23	6.33	0.10	21
					<u>1,593</u>

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 £
<u>Wilton Court</u>					
Bedsit Flats	14	5.85	4.89	-0.96	-699
1 Bed Flats	9	9.09	7.60	-1.49	-697
<u>Bradgate Flats</u>					
1 Bed Flats	20	11.03	5.88	-5.15	-5,356
Warden's Flat	1	20.47	10.91	-9.56	-497
					<u>-7,249</u>

The changes reflect actual expenditure and the increases in energy prices as well as the need to recover costs from the 2012/13 actual prices. During the year the change in energy supplier has actually resulted in a reduction in cost.

### 3.4 Guest Room Charge

Existing Daily Charge	Proposed Daily Charge	Increase £	Increase in Annual Income
£4.65 + VAT	£4.80 + VAT	0.15	£39

The increase is required to meet the requirement of the HRA Business Plan and cover the cost of staff time and laundry costs. It is recommended to make this a per person charge as opposed to a per room charge to fully cover these costs.

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

Existing Hourly Charge	Proposed Hourly Charge	Increase £	Increase in Annual Income
£12.80	£13.30	0.50	Negligible

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

### 3.6 Gretton Court

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	3.57	5.07	1.50	2,574
1 Bed Disabled Persons Flats	5	4.06	5.77	1.71	445
Bedsit Flats	4	2.81	3.98	1.17	243
3 Bed Warden's House	2	8.62	12.23	3.61	375
<u>Electricity Charges</u>	42	7.89	8.49	0.60	1,310
<u>Midday Meal Charge</u> (per person)	45	45.50	48.30	2.80	6,552
<u>Accommodation Charges</u>	42	33.78	34.39	0.61	1,332
					12,831

The charges reflect the actual expenditure. The meal charge increase also reflects an increase for the food prices inflation index.

### 3.7 Water and Sewerage Charges – Bradgate Flats

Number of Units	Existing Weekly Charge	Proposed Weekly Charge	Increase/Reduction (-)	Increase in Annual Income
21	£2.07	£3.19	£1.12	£1,223

### 3.8 TV Aerial Charge

Number of Units	Existing Weekly Charge	Proposed Weekly Charge	Increase	Increase in Annual Income
621	£0.70	£0.72	£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
8,256	£3.15 + VAT	£3.35 + VAT	£0.20 + VAT	£1,651

The increased charge reflects the actual expenditure resulting in an inflation +3% increase due to increasing food prices.

### 3.10 Communal Area Cleaning

A recent tender process for this service has been completed and the new charges are included in a separate report to this committee.

### 3.11 Garage Rents

	Existing Rent per Week £	Proposed Rent per Week £	Increase £
Council Tenants	5.75	6.00	0.25
Non Council Tenants	6.55+VAT	6.80+VAT	0.25+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 £12,214 in total to the HRA (including £1,480 for Garage income); however, other than the increased garage income these resources will be offset by increased expenditure.

This will be fed into the estimates being set for 2013/14 which will be presented to members with the rent setting recommendations in January 2013.

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 been completed for the charging policy previously agreed by Policy, Finance and Admin Committee.

### 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 Communities & Neighbourhoods as required with reference to current budget monitoring protocols.

## **12.0 WARDS AFFECTED**

12.1 All wards are affected

Contact Officer: Carol King

Date: 15 August 2012

Appendices: Appendix A – Review of Fees & Charges 2013/14

Background Papers: Review of Fees & Charges 2013/14

Reference: X: C'tees, Council & Sub-Citees/CSA/2012-13/19-9-12/DG-HRA Review of Fees & Charges 2013/14