

17 SEPTEMBER 2014

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

HOUSING REVENUE ACCOUNT (HRA) - REVIEW OF FEES AND CHARGES 2015/16

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 2015, other than Council dwelling rents which will be subject to a separate report to be presented to this committee in January 2015.

2.0 RECOMMENDATIONS

- 2.1 **That the committee determines the level of charges for 2015/16 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 HRA. The proposed charges for services within the HRA for the financial year 2015/16 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 2015/16 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	22	18.46	18.81	0.35	400
Granby Flats, Melton Mowbray	30	13.24	13.47	0.23	359
Bradgate Flats, Asfordby	21	16.15	16.50	0.35	382
St John's Court, Melton Mowbray	38	3.77	3.86	0.09	178
<u>Bungalows/Flats</u>					
Burnaby Place, Asfordby	37	0.33	0.34	0.01	19
Bradgate Lane, Asfordby	10	9.97	10.12	0.15	78
Granby Drive, Bottesford	16	6.57	6.64	0.07	58
Granby Drive, Bottesford (8,12,24,28)	4	6.45	6.52	0.07	15
					<u>1,489</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	12	3.72	3.80	0.08	50
1 Bed Flats	10	5.79	5.90	0.11	57
<u>Bradgate Flats</u>					
1 Bed Flats	20	7.14	9.71	2.57	2,673
Warden's Flat	1	13.26	18.02	4.76	248
					3,028

The changes reflect actual expenditure and the increases in energy prices as well as the need to recover costs from the 2014/15 actual prices.

3.4 Guest Room Charge

Existing Charge Per Person Per day	Proposed Charge Per Person Per Day	Increase £	Increase in Annual Income
£5.00 + VAT	£5.15 + VAT	0.15	£34

The increase is required to meet the requirement of the HRA Business Plan and cover the cost of staff time and laundry 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
£13.80	£14.25	0.45	£21

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	4.81	4.61	-0.20	-343
1 Bed Disabled Persons Flats	5	5.47	5.25	-0.22	-57
Bedsit Flats	4	3.78	3.63	-0.15	-31
3 Bed Warden's House	2	11.61	11.13	-0.48	-50
<u>Electricity Charges</u>	42	8.26	4.86	-3.40	-7,426
<u>Midday Meal Charge</u> (per person)	42	50.05	50.19	0.14	306
<u>Accommodation Charges</u>	42	35.20	35.61	0.41	895
					<u>-6,706</u>

The charges reflect the actual expenditure.

3.7 Water and Sewerage Charges – Bradgate Flats

Number of Units	Existing Weekly Charge	Proposed Weekly Charge	Increase/Reduction (-)	Increase in Annual Income
21	£2.26	£2.24	-£0.02	-£22

The increased charge reflects the actual expenditure.

3.8 TV Aerial Charge

Number of Units	Existing Weekly Charge	Proposed Weekly Charge	Increase	Increase in Annual Income
619	£0.74	£0.76	£0.02	£644

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
4492	£3.47 + VAT	£3.48 + VAT	£0.01 + VAT	£46

The increased charge reflects the actual expenditure.

3.10 Communal Area Cleaning

Number Of Units	Existing Weekly Charge	Proposed Weekly Charge	Increase	Increase in Annual Income
313	£0.30	£0.67	£0.37	£6,022

In 2013/14 the charge was reduced to nil following the reduced contract tender and the resulting over charge to tenants in 2012/13. The 2014/15 charge further and fully reimbursed tenants. The charge for 2015/16 reflects the actual costs incurred in the year.

3.11 **Garage Rents**

	Existing Rent per Week £	Proposed Rent per Week £	Increase £
Council Tenants	6.25	6.45	0.20
Non Council Tenants	7.05+VAT	7.25.+VAT	0.20+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 £6,813 in total to the HRA (including £2,257 for Garage income); however, other than the increased garage income these resources will be offset by increased expenditure. In addition the increase in income is further limited by the fact that 2015/16 is a return to a 52 week year from 53 weeks in 2014/15 and the additional income amounts shown above show a comparison between two 52 week years. Therefore following this the actual annual decrease in income is £1,185 (including an increase of £797 for Garage income).

This will be fed into the estimates being set for 2015/16 which will be presented to members with the rent setting recommendations in January 2015.

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

5.3 The Council is currently reviewing its older persons services following the anticipated reduction in funding from Leicestershire County Council. We have appointed a consultant to review the financial implications of this reduction, and as such, any warden related charges may be affected. If this becomes the case it will be brought back to this committee at a later date.

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 2014

Appendices: Appendix A – Review of Fees & Charges 2015/16

Background Papers: Review of Fees & Charges 2015/16

Reference: X: C'tees, Council & Sub-Citees/CSA/2014-15/17-9-14/DG-HRA Review of Fees & Charges 2015/16