

16 SEPTEMBER 2015

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

**HOUSING REVENUE ACCOUNT (HRA) - REVIEW OF FEES AND CHARGES 2016/17**

**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 2016, other than Council dwelling rents which will be subject to a separate report to be presented to this committee in January 2016.

**2.0 RECOMMENDATIONS**

- 2.1 **That the committee determines the level of charges for 2016/17 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 2016/17 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 2016/17 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.

<b>Scheme</b>	<b>No. of Units</b>	<b>Existing Weekly Charge</b>	<b>Prop. Weekly Charge</b>	<b>Increase / Reduction (-)</b>	<b>Increase/ Reduction (-) Annual Income</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>HRA- Accommodation Costs only</u>					
<u>Flats</u>					
Wilton Court, Melton Mowbray	22	18.81	19.99	1.18	1,350
Granby Flats, Melton Mowbray	30	13.47	13.67	0.20	312
Bradgate Flats, Asfordby	21	16.50	16.79	0.29	317
St John's Court, Melton Mowbray	38	3.86	3.95	0.09	178
<u>Bungalows/Flats</u>					
Burnaby Place, Asfordby	37	0.34	0.34	0	0
Bradgate Lane, Asfordby	10	10.12	10.27	0.15	78
Granby Drive, Bottesford	16	6.64	6.74	0.10	83
Granby Drive, Bottesford (8,12,24,28)	4	6.52	6.62	0.10	21
					<u>2,339</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	3.80	3.01	-0.79	-493
1 Bed Flats	10	5.90	4.67	-1.23	-640
<u>Bradgate Flats</u>					
1 Bed Flats	20	9.71	8.30	-1.41	-1,466
Warden's Flat	1	18.02	15.41	-2.61	-136
					-2,735

The changes reflect adjustments based on actual consumption costs in the relevant schemes in the 2014/15 out-turn figures and reflect the volatility in energy prices.

### 3.4 Guest Room Charge

Existing Charge Per Person Per day	Proposed Charge Per Person Per Day	Increase £	Increase in Annual Income
£5.15 + VAT	£5.25 + VAT	0.10	£30

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
£14.25	£14.55	0.30	£14

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	4.61	4.00	-0.61	-1,047
1 Bed Disabled Persons Flats	5	5.25	4.55	-0.70	-182
Bedsit Flats	4	3.63	3.15	-0.48	-100
3 Bed Warden's House	2	11.13	9.66	-1.47	-153
<u>Electricity Charges</u>	42	4.86	7.04	2.18	4,761
<u>Midday Meal Charge</u> (per person)	42	50.19	53.90	3.71	8,103
<u>Accommodation Charges</u>	42	35.61	36.36	0.75	1,638
					13,020

The changes reflect adjustments based on actual consumption costs in the relevant schemes in the 2014/15 out-turn figures and reflect the volatility in energy prices.

### 3.7 Water and Sewerage Charges – Bradgate Flats

Number of Units	Existing Weekly Charge	Proposed Weekly Charge	Increase/Reduction (-)	Increase in Annual Income
21	£2.24	£2.36	£0.12	£131

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	£0.76	£0.78	£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
5822	£3.48 + VAT	£3.74 + VAT	£0.26 + VAT	£1,514

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	£1.84	£1.88	£0.04	£651

The charge reflects the actual costs incurred in the year based on the contracted price.

### 3.11 Intensive Housing Management Service

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 £
Sheltered Housing Schemes	68	11.00	11.10	0.10	354
Bradgate Lane Bungalows	9	7.00	7.10	0.10	47
Other designated properties	452	5.00	5.05	0.05	1,175
					1,576

The charge reflects the actual costs budgeted to be incurred in the year.

### 3.12 Garage Rents

	Existing Rent per Week £	Proposed Rent per Week £	Increase £
Council Tenants	6.45	6.58	0.13
Non Council Tenants	7.25+VAT	7.43+VAT	0.18 +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 £18,699 in total to the HRA (including £1,515 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 2016/17 which will be presented to members with the rent setting recommendations in January 2016.

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 2015

Appendices: Appendix A – Review of Fees & Charges 2016/17

Background Papers: Review of Fees & Charges 2016/17

Reference: X: C'tees, Council & Sub-Citees/CSA/2015-16/16-9-15/DG-HRA Review of Fees & Charges 2016/17