

## PLACE COMMITTEE

5 SEPTEMBER 2018

### REPORT OF DIRECTOR FOR CORPORATE SERVICES AND DIRECTOR FOR GROWTH & REGENERATION

#### HOUSING REVENUE ACCOUNT (HRA) - REVIEW OF FEES AND CHARGES 2019/20

##### 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 2019, other than Council dwelling rents which will be subject to a separate report to be presented to this committee in January 2019.

##### 2.0 RECOMMENDATIONS

- 2.1 **That the committee determines the level of charges for 2019/20 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 2019/20 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 2019/20 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          | 21           | 15.96                  | 15.63               | -0.33                    | -360                                  |
| Granby Flats, Melton Mowbray          | 30           | 13.90                  | 14.79               | 0.89                     | 1,388                                 |
| Bradgate Flats, Asfordby              | 21           | 13.65                  | 14.52               | 0.87                     | 950                                   |
| St John's Court, Melton Mowbray       | 38           | 3.99                   | 5.61                | 1.62                     | 3,201                                 |
| <u>Bungalows/Flats</u>                |              |                        |                     |                          |                                       |
| Burnaby Place, Asfordby               | 37           | 0.36                   | 0.34                | -0.02                    | -38                                   |
| Bradgate Lane, Asfordby               | 10           | 6.14                   | 6.29                | 0.15                     | 78                                    |
| Granby Drive, Bottesford              | 16           | 5.64                   | 5.01                | -0.63                    | -524                                  |
| Granby Drive, Bottesford (8,12,24,28) | 4            | 5.52                   | 4.88                | -0.64                    | -133                                  |
|                                       |              |                        |                     |                          | <u>4,562</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.

|                       | <b>Number of Units</b> | <b>Existing Weekly Charge<br/>£</b> | <b>Proposed Weekly Charge<br/>£</b> | <b>Increase/Reduction (-)<br/>£</b> | <b>Increase in Annual Income<br/>£</b> |
|-----------------------|------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
| <u>Wilton Court</u>   |                        |                                     |                                     |                                     |  |
| Bedsit Flats          | 10                     | 2.84                                | 2.80                                | -0.04                               | -21                                    |
| 1 Bed Flats           | 11                     | 4.41                                | 4.36                                | -0.05                               | -29                                    |
| <u>Bradgate Flats</u> |                        |                                     |                                     |                                     |  |
| 1 Bed Flats           | 20                     | 7.90                                | 7.65                                | -0.25                               | -260                                   |
| Warden's Flat         | 1                      | 14.66                               | 14.21                               | -0.45                               | -23                                    |
|                       |                        |                                     |                                     |                                     | -333                                   |

The changes reflect adjustments based on actual consumption costs in the relevant schemes in the 2017/18 out-turn figures and reflect the volatility in energy prices.

### 3.4 Guest Room Charge

| <b>Existing Charge<br/>Per Room Per night</b> | <b>Proposed Charge<br/>Per Room Per Night</b> | <b>Increase<br/>£</b> | <b>Increase in<br/>Annual Income</b> |
|---|---|-----------------------|--------------------------------------|
| £15.39 + VAT                                  | £15.77 + VAT                                  | 0.38 + VAT            | £41                                  |

The increase is required to cover the cost of staff time and laundry costs, this service was benchmarked against similar schemes locally in 2016/17, with the resultant £15 charge being the lowest noted, now increased, again, by inflation.

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

| <b>Existing Hourly Charge</b> | <b>Proposed Hourly Charge</b> | <b>Increase<br/>£</b> | <b>Increase in<br/>Annual Income</b> |
|-------------------------------|-------------------------------|-----------------------|--------------------------------------|
| £15.23                        | £15.61                        | 0.38                  | £17                                  |

The increase based on inflation and is required to support 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<br>£ | Proposed Weekly Charge<br>£ | Increase/Reduction (-)<br>£ | Increase in Annual Income<br>£ |
|---|-----------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|
| <u>Heating Charges</u>                      |                 |                             |                             |                             |                                |
| 1 Bed Flats                                 | 33              | 3.00                        | 3.37                        | 0.37                        | 635                            |
| 1 Bed Disabled Persons Flats                | 5               | 3.41                        | 3.84                        | 0.43                        | 112                            |
| Bedsit Flats                                | 4               | 2.36                        | 2.65                        | 0.29                        | 60                             |
| 3 Bed Warden's House                        | 2               | 7.24                        | 8.14                        | 0.90                        | 94                             |
| <u>Electricity Charges</u>                  |                 |                             |                             |                             |                                |
| Electricity Charges                         | 42              | 7.43                        | 6.70                        | -0.73                       | -1,594                         |
| <u>Midday Meal Charge (per person)</u>      |                 |                             |                             |                             |                                |
| Midday Meal Charge (per person)             | 42              | 54.81                       | 48.16                       | -6.65                       | -14,524                        |
| <u>Intensive Housing Management Service</u> |                 |                             |                             |                             |                                |
| Intensive Housing Management Service        | 42              | 11.77                       | 12.24                       | 0.47                        | 1,026                          |
| <u>Accommodation Charges</u>                |                 |                             |                             |                             |                                |
| Accommodation Charges                       | 42              | 31.09                       | 32.85                       | 1.76                        | 3,844                          |
|   |                 |                             |                             |                             | <u>-10,347</u>                 |

The changes reflect adjustments based on actual consumption costs in the relevant schemes in the 2017/18 out-turn figures and reflect the volatility in energy prices. Fuller costing of the meals charges have been undertaken resulting in the lower charge.

### 3.7 Water and Sewerage Charges – Bradgate Flats

| Number of Units | Existing Weekly Charge | Proposed Weekly Charge | Increase/Reduction (-) | Increase in Annual Income |
|-----------------|------------------------|------------------------|------------------------|---------------------------|
| 21              | £2.13                  | £2.14                  | £0.01                  | £11                       |

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             | £0.82                  | £0.84                  | £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 |
|-----------------|------------------------|------------------------|--------------|---------------------------|
| 5,016           | £3.81 + VAT            | £3.25 + VAT            | -£0.56 + VAT | -£2,809                   |

The charge reflects the actual expenditure.

### 3.10 Communal Area Cleaning

| Number of Units | Existing Weekly Charge | Proposed Weekly Charge | Increase | Increase in Annual Income |
|-----------------|------------------------|------------------------|----------|---------------------------|
| 301             | £1.96                  | £2.14                  | £0.18    | £2,817                    |

The changes reflect adjustments based on actual consumption costs in the relevant schemes in the 2017/18 out-turn figures, while a procurement process remains to be required to select a new contractor.

### 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<br>£ | Proposed Weekly Charge<br>£ | Increase/<br>Reduction (-)<br>£ | Increase in Annual Income<br>£ |
|-----------------------------|-----------------|-----------------------------|-----------------------------|---------------------------------|--------------------------------|
| Sheltered Housing Schemes   | 73              | 11.77                       | 12.24                       | 0.47                            | 1,784                          |
| Bradgate Lane Bungalows     | 10              | 7.53                        | 7.83                        | 0.30                            | 156                            |
| Other designated properties | 498             | 5.36                        | 5.57                        | 0.21                            | 5,438                          |
|                             |                 |                             |                             |                                 | 7,378                          |

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

### 3.12 Garage Rents

|                     | Existing Rent per Week<br>£ | Proposed Rent per Week<br>£ | Increase<br>£ |
|---------------------|-----------------------------|-----------------------------|---------------|
| Council Tenants     | 6.88                        | 7.05                        | 0.17          |
| Non Council Tenants | 7.78+VAT                    | 7.97+VAT                    | 0.19+VAT      |

The increases based on inflation and is required to support 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 £3,535 in total to the HRA (including £1,564 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 2019/20 which will be presented to members with the rent setting recommendations in January 2019.

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 the Corporate 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 Director for Growth & Regeneration as required with reference to current budget monitoring protocols.

## 12.0 **WARDS AFFECTED**

12.1 All wards are affected

Contact Officer: Carol King  
Date: 5 August 2018  
Appendices: Appendix A – Review of Fees & Charges 2019/20  
Background Papers: Review of Fees & Charges 2019/20  
Reference: X: C'tees, Council & Sub-Citees/Place/2018-19/5-9-18/DG-HRA Review of Fees & Charges 2019/20