

### Housing Revenue Account Fees and Service Charges Proposals 2014/15

All fees and service charges are reviewed annually to ensure full cost recovery and also to identify any service efficiencies that can be offset against inflationary increases to keep increases to a minimum. The following table lists all of the HRA fees and service charges proposed for 2014/15. New charges, and those charges that are proposed to increase by more than standard inflation, are explained in further detail below the table.

	Number of tenants affected	Estimated Number not eligible for HB	Eligible for HB	Current Average Weekly Charge 2013/14	2014/15 proposed Average increase/ (decrease) %	2014/15 proposed Average Charge	2014/15 Proposed average increase/ (decrease) per week £	Comments
Grounds Maintenance	5,757	1,444	Yes	£0.64	1.0%	£0.65	£0.01	Contractual increase
Communal cleaning	5,482	1471	Yes	£2.78	Nil	£2.78	Nil	Full cost recovery without increasing charges because of reduced staffing costs within this service
Communal heating – gas	1,110	1,110	No	£8.94	2.2%	£9.13	£0.19	See heating paragraphs below
Communal heating - electric	79	79	No	£7.13	17.0%	£8.34	£1.21	See heating paragraphs below
TV Aerials	4,942	1,297	Yes	£0.56	36.0%	£0.76	£0.20	New element to pay for servicing and maintenance. See Paragraphs below
Sheltered Services – common ways	850	112	Yes	£8.44	2.5%	£8.65	£0.21	Contractual increases to aid cost recovery
Sheltered Services-laundry	827	109	Yes	£1.33	Nil	£1.33	nil	No contractual increase
Water	147	147	No	£3.43	5.0%	£3.60	£0.17	Average Increase for recovery of costs.

## Appendix 2

	Number of tenants affected	Estimated Number not eligible for HB	Eligible for HB	Current Average Weekly Charge 2013/14	2014/15 proposed Average increase/ (decrease) %	2014/15 proposed Average Charge	2014/15 Proposed average increase/ (decrease) per week £	Comments
Video Entry	12	3	Yes	£0.96	Nil	£0.96	nil	No change
Guest rooms	n/a		No	£8.80 per night	Nil	£8.80	nil	No Change
Intensive Housing Management (was Supporting People)	850	73	Yes	£12.85	17.2%	£15.06	£2.21 in 2014/15	Supporting People charge to be replaced by a new Intensive Housing management charge – see paragraphs below
Garages & Car Parking	2,377	N/A	No	£8.27	3.2%	£8.54	£0.27	September RPI
<b>Proposed new service charges</b>								
Electricity – communal ways	5,410	1,467	Yes	n/a	n/a	£1.00	£1.00	See details in paragraphs below
Lift Servicing and maintenance	2,452	571	Yes	n/a	n/a	£0.85	£0.85	See details in paragraphs below
Mobility Scooter Storage			No	n/a	n/a	£4.00	£4.00	See details in paragraphs below

### Heating

The heating and hot water service charges for residents with communal gas fired boilers are proposed to increase by an overall average of 2.16% or £0.19 per week from 1 April 2014. Changes to charges vary between the maximum reduction of 14.1% or £1.21 per week to a maximum increase of 15.1% or £1.07 per week. Under the current corporate gas supply contract, the unit price for gas is revised annually in October each year. From October 2013, the unit price for gas has increased by an average of 4% for blocks with communal boilers. However, the latest review of gas consumption shows a reduction in estimated energy consumption in a number of blocks resulting from a mixture of improvements including boiler upgrades and replacements, and the installation of solar panels for hot water. This has

therefore contributed to the overall average increase in service charges of 2.16%. This compares favourably with the recent domestic increases announced in the press of between 10% and 12% and demonstrates the value for money that tenants are receiving from being part of the corporate contract for gas.

Two council blocks (Elwyn Jones Court and Broadfields) are heated by electric heating systems. Service charges for these blocks will be amended from 1<sup>st</sup> April to reflect the new contract price and the latest estimates of consumption. This will mean an average increase from £7.13 per week to £8.34 – a rise of 17% (£1.21 per week) for these tenants. This is a large increase, however, these tenants received a 16.5% reduction in their heating charges from 1<sup>st</sup> April 2010 with no increases since. The average charge per week still represents good value for money when compared to the average bills across the South East.

### **TV Aerials**

The current charge for digital TV aerials of £0.56 per week, which is for the installation costs associated with the aerials, is being increased from 1<sup>st</sup> April 2014 to £0.76 per week to reflect the annual servicing and maintenance costs. This charge is eligible for housing benefit.

### **Water**

147 tenants receive a service charge for water as the council pays the bills for some meters and recharges tenants accordingly. Charges proposed for 2014/15 are being set at an average increase of 5% to an average charge of £3.60 per week. The increase ranges from 0% to a maximum increase of 10% or £0.33 per week. These increases reflect the expenditure for water during the past year as well as estimated inflation from Southern Water for 2014/15.

### **Intensive Housing Management (replaces Supporting People charge)**

The current Supporting People charge of £12.85 per week is being replaced by a new charge for 'Intensive Housing Management' to reflect a proposed redesign of the sheltered service. It should be noted that the current service charge has not been subject to inflationary increases since it was introduced in 2003 and therefore does not reflect the cost of the service. The new charge has been calculated at £19.92 per week but to limit the increase to tenants, the budget proposes that the increase is phased-in over a three-year period. For 2014/15 the proposed charge is £15.06, an increase of £2.21 or 17.2%. The new charge will be eligible for Housing Benefit. It is estimated that 73 tenants that currently pay the £12.85 charge will be affected by this increase. All tenants required to pay this increase will be visited to explain the changes and to ensure that they are claiming all the welfare benefits available to them.

### **Transitional Protection for Sheltered Tenants**

33 tenants in sheltered blocks do not pay the current support charge of £12.85 as they have received transitional protection since the charge was introduced in 2003. This report therefore proposes that this protection be removed gradually over a three-year period. The proposal is that any tenant currently receiving transitional protection should pay one third (£6.64) of the new charge in the first year. Then the remainder of the charge will be phased in over a further 2 years. All tenants receiving transitional protection will be visited to explain the introduction of the charge and to ensure that they are claiming all the welfare benefits available to them.

### **Electricity for public ways and lifts**

This is a new service charge for the electricity associated with the lighting in and around blocks of flats including landing lights, outside lighting of walkways between blocks and electricity for lifts. Leaseholders in blocks of flats already pay for public way electricity in their service charges. It is proposed that those tenants living in blocks of flats that benefit from this communal lighting should also pay for these services. This achieves greater equity as otherwise it means that all tenants, including those in houses, are paying towards these services, which is neither equitable nor correct. The charge varies for each block depending on the consumption of electricity and ranges between £0.09 to £2.75 per week, the average charge being £1.00. This charge affects 5,410 tenants across the city. The majority will not have to pay this charge as it will be covered by their housing benefit. An estimated 1,467 tenants will be eligible to pay this charge.

### **Lift servicing and maintenance**

Similarly, this is a new service charge that aims to ensure that only those tenants with lifts in their blocks pay for lift services along with Leaseholders who already pay these service charges. This service charge recovers the annual costs of servicing each of the 102 lifts in the City as well as any revenue maintenance charges associated with the lift. The proposed charge is £0.85 per week for the 2,452 tenants across the city. The majority (1,881) of tenants will not need to pay this charge as it will be covered by their housing benefit. An estimated 571 will be eligible to pay this charge.

### **Mobility Scooter Storage**

Brighton and Hove city council is working with East Sussex Fire and Rescue Service to keep communal landings as safe as possible. After extensive consultation with members and residents, mobility scooter storage units have been built at a number of blocks round the City. The proposed charge for each store is £4.00 per week, including scooter charging electricity costs.

Electricity usage will be monitored over a six month period and tenants will be notified of any change to the charge as necessary.