

Meeting of the Executive Members for Housing and Adult Social Services and Advisory Panel 11th December 2006

Report of the Director of Housing and Adult Social Services

Review of Housing Fees And Charges

Summary

1. This report recommends a revision of fees and charges, which fall within the Housing portfolio.

Background

2. As reported in the 'Housing Rents and Management and Maintenance Allowances 2007/8' elsewhere on the agenda, the recommended average rent increase for 2007/8 is 5%. Other Housing Revenue Account fees and charges have been reviewed to include a 5% uplift for accommodation and 2.3% (inflation) for other fees and charges.

Travellers Sites

3. The Council owns three Travellers' Sites, comprising a total of 55 pitches. The rents are currently £39.11 per week, excluding water and sewerage charges which will be recovered by setting economic charges retrospectively each quarter. The support charges, which are treated separately, are currently £29.00.
4. It is proposed to apply the guideline rent increase of 5%. This will make the rents for each pitch £41.07 per week. The support charges for any customer in receipt of Housing Benefit is paid through Supporting People grant. The estimated additional income is £5k.

Homelessness

5. It is intended in 2007/08 to commence the process of rent restructuring for hostels. It is already being implemented for all HRA dwellings and the expectation from Department of Communities and Local Government (DCLG) rent restructuring guidance is that it will also be implemented for hostels in order for there to be consistency across all social housing. The principles of rent restructuring are outlined in the 'Housing Rents and Management and Maintenance Allowances 2007/8' report elsewhere on this agenda. It is proposed that the rent restructuring for Peasholme Hostel will be delayed until

the relocation of the hostel is complete so it can form part of an overall review of budgets and charging at the hostel.

Ordnance Lane Hostel

6. Ordnance Lane is a hostel with 31 places for families who need temporary accommodation as a result of homelessness. Since this hostel falls in the HRA, it is proposed to apply the guideline rent increase of 5% to the rent portion of the charges for this hostel. This will generate approximately £3.5k of additional income.

Crombie House

7. Crombie House has places for 10 families who need temporary accommodation as a result of homelessness. As this hostel falls within the HRA it is proposed to apply the guideline rent increase of 5% to the rental portion of the charges. After implementing rent restructuring guidance it will generate no additional income.

Holgate Road

8. Holgate Road hostel has places for 5 families who are homeless. This hostel falls within the HRA and it is proposed to apply the guideline rent increase of 5% to the rental portion of the charges. This will generate approximately £1k of additional income

Peasholme Hostel

9. Peasholme Hostel has 22 places for residents who are single and homeless. This hostel falls within the HRA and it is proposed to apply the guideline rent increase of 5% to the rental portion of the charges. This will generate approximately £6k of additional income.

Howe Hill Hostel

10. Howe Hill Hostel has 27 places for both single applicants and families who are homeless. Whilst the hostel is within the general fund it is proposed to apply the guideline rent increase of 5% to the rental portion of the charges. After applying rent restructuring guidance there will actually be a reduction in income of approximately £17k. The impact of this has been included in the Housing General Fund Budget 2007/08, a report on which is elsewhere on this agenda.

Administration of Private Sector Grants

11. Private Sector Grants are payable in accordance with the grants policy up to a maximum grant of £6000. The administration charge on is recovered as a flat rate fee of £500 per grant. It is not proposed to increase this charge.

Garage Rents

12. The Council owns 986 garages. It is proposed that all garage rents will be increased in line with inflation by 2.3%. The charges for garages varies

dependent on whether they are in high, normal or low demand. This will generate approximately £6k of additional income. The effect of this increase will be as follows:

Rate	Client	2006/7	2007/8
Normal	Council tenants	£5.27	£5.39
	Private	£5.27 + VAT £0.92	£5.39 + VAT £0.94
High demand	Council tenants	£6.31	£6.46
	Private (local connection)	£12.02 + VAT £2.10	£12.30 + VAT £2.15
	Private (no local connection)	£15.50 + VAT £2.71	£15.86 + VAT £2.78
Low demand	Tenure neutral	£2.67	£2.73

Cookers

13. The Council rents gas and electric cookers to over 2000 customers, at present rents vary depending on the age of the cooker. Members have previously agreed to end the supply of new cookers but continue to maintain existing cookers.
14. The most recently supplied cookers are currently £3.86 per week for gas and electric are £3.79 per week. It is proposed to increase the charge by 2.3%. The new charges for the most recently supplied cookers will be £3.95 for gas and £3.88 for electric. This will generate approximately £2.5k of additional income.

Consultation

15. Consultation has been carried out with central finance regarding the proposed increase in fees and charges.

Options

16. Option 1 – To agree the charges as set out in the report
17. Option 2 – To not accept the charges

Analysis

18. Option 1 – Agreement of this option would enable the council to continue to provide its services within budget and deliver on the improvements relating to these client groups as set out in the Housing Services Improvement Plan.

19. Option 2 – Agreement of this option would result in a reduction in budgeted income to the service, which would result in a reduction in service provision to these client groups.

Corporate Priorities

20. Specific links can be made to the following:

“Outward facing”

- Improve the actual and perceived condition and appearance of city’s streets, housing estates and publicly accessible spaces
- Improve the quality and availability of decent affordable homes in the city
- Improve the health and lifestyles of people who live in York, among the groups whose levels of health are the poorest

Implications

21. **Financial** – The overall implication of the proposed changes would be increased income of £19k to the HRA and a reduction in income of £12k to Housing General Fund. These implications have been included within the relevant budget reports, which can be found elsewhere on this agenda.
22. There are no Human Resources (HR), Equalities, Legal, Crime and Disorder, Information Technology (IT), Property or Other Implications.

Risk Management

23. There are no risks associated with this report.

Risk Mitigation

24. N/A

Recommendations

25. The Executive Member is asked to consider the proposals for the 2007/08 Housing fees and charges contained in this report and provide comments to be submitted to the Budget Executive on 16th January 2007.

Reason: to ensure a balanced 2007/08 HRA budget is submitted to the Executive.

Contact Details

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Report Approved Date 20th Nov 06

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Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Background Papers:

None

Annexes:

None