

REPORT TO CABINET

REPORT OF: Director Finance and Strategic Resources

REPORT NO. FIN222

DATE: 7 February 2005

SUBJECT:	Housing Revenue Account and Housing General Fund Rents and Service Charges 2005/06
FORWARD PLAN ITEM:	Budget 2005/06
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Key Decision and Policy Framework Proposal Budget Setting 2005/06
COUNCIL AIMS/PORTFOLIO HOLDER:	Cllr Peter Martin-Mayhew
CORPORATE PRIORITY:	Corporate Health
CRIME AND DISORDER IMPLICATIONS:	None
FREEDOM OF INFORMATION ACT IMPLICATIONS:	None
BACKGROUND PAPERS:	

HOUSING REVENUE ACCOUNT AND HOUSING GENERAL FUND RENTS AND SERVICE CHARGES 2005/06

Introduction

1. The report outlines the proposed increases in Housing Revenue Account rents and service charges and General Fund Helpline charges for 2005/06.

Recommendations

2. I recommend the following be adopted by the Council for 2005/06:
 - i) Dwelling rents to be increased by guideline rent increase of 4.03% with continued observance of the rent restructuring rules.

- ii) Garage rents to be increased in line with the dwelling rent increase of 4.03%.
- iii) The increase in the number of properties for homelessness be noted.
- iv) The weekly sewerage charge be replaced with annual bills based on actual cost.
- v) The proposed scale of charges for Helpline Services be adopted from 1 April 2005.

HOUSING REVENUE ACCOUNT

Dwelling Rents

- 3. The Office of the Deputy Prime Minister (ODPM) have now issued details of the guideline rent increase for 2005/06. Plans to amend the rent restructuring policy have been deferred for a year to allow proper investigation of the issues raised at consultation. Consequently the rent increase policy is the same as for previous years.
- 4. The guideline increase for 2005/06 is 4.03%, being a 1.5% cash increase plus 2.53% as measured by the current GDP deflator. Individual rents will continue to be limited in their change up or down by RPI (as at September 2004) plus 0.5% plus or minus £2 per week. This equates to 3.6% plus or minus £2 per week.
- 5. It is anticipated the average rent will rise to £49.65 per week on a 52 week basis.

Garage Rents

- 6. Garage rents are set locally, but in past years have followed the guideline rent increase to avoid charge erosion. Thus I recommend an increase of 4.03% for 2005/06.
- 7. The increase for tenants equates to £0.21 per week resulting in a charge of £5.53 per week. Non tenants who are also required to pay VAT on the charge will have an increase of £0.25 per week to £6.50. Both are 52 week charges.

Grouped Old Persons' Dwelling Service Charges

- 8. These service charges will be considered under a separate report.

Homelessness Service Charge

- 9. It should be noted the number of properties classified as available for the homeless has increased to 14.
- 10. There is no proposal to increase this service charge.

Sewerage Service Charge

11. It was decided by the Council in 1976/77 that tenants of houses not served by main drainage would be subject to a service charge equal to the cost of emptying and maintaining their septic tanks. At the time this was £15 per annum (30p per week on a 50 week rent year) This remained unchanged until last year when the charge was increased to £24 per annum (50p per week).
12. In 1976 there were 170 properties paying the charge. Currently, due to the Right to Buy purchases, there are 66 properties. The Council, however, continues to pay bills for disposal and maintenance for both privately owned and tenanted properties. In 2003/04 the net cost was £24,960.83.
13. The owner occupiers have been advised they will be billed in future for the costs incurred. It is proposed to extend this to tenanted property reverting back to the original decision and charging all those who benefit from the emptying and maintenance of non-main sewerage systems the economic cost of the work. This will be via a debtor account rather than a service charge.

HOUSING GENERAL FUND

Helpline Service Charge

14. Again to avoid charge erosion it is necessary to increase the Helpline charges. It is proposed that they are increased in line with RPI (rounded to the nearest 5pence) which at November 2004 indicated an increase of 3.4%. The following table outlines the proposed charges inclusive of VAT to be implemented from 1 April 2005.

Service Type	Current Charge £	Proposed Charge £
Purchased Helpline/Portal:		
Monitoring Only	1.23	1.29
Monitoring and Mobile Warden	3.76	3.88
Rented Helpline:		
Monitoring Only	3.00	3.11
Monitoring and Mobile Warden	5.52	5.70
Rented Portal:		
Monitoring Only	2.64	2.76
Monitoring and Mobile Warden	5.17	5.35
Daily Call Out from Care Centre	1.23	1.29
Responsive Visit by Mobile Warden	9.34	9.69
Monitoring of Rented Fall Detector	0.53	0.53

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