

HOUSING REVENUE ACCOUNT SERVICE CHARGES 2017/18**1.0 DISTRICT AND GROUP HEATING****1.1 General**

1.1.1 Tenants linked to group heating schemes (sheltered housing schemes) pay for heat through a Service Charge. Service charges, paid with the rent, apply to all tenants linked to group heating schemes. The average charge for this service in 2016/17 was £18.13 per week. V.A.T. is not currently payable on service charges.

1.1.2 Heating charges are not eligible for Housing Benefit.

1.1.3 It is proposed that in order for the group heating schemes to continue to breakeven in 2017/18 the charges are increased by 2% to an average of £18.49 per week.

2.0 GARAGE RENTS & GARAGE SITES

2.1 Income streams from both garage rents and garage site rents currently cover expenditure. However, capital improvements to sites are planned in 2017/18 and future years. Therefore, it is proposed to increase the charges as detailed in the table below.

Service	Current Charge	Revised Charge	Actual Increase in 2017/18
Garage Rents	£6.22 per week	£6.72 per week	50 pence per week
Garage Site – Shale Surface	£42.50 per annum	£45.90 per annum	£3.40 per annum
Garage Site - Asphalt Surface	£53.50 per annum	£57.80 per annum	£4.30 per annum
Garage Site - Other	£58.50 per annum	£63.20 per annum	£4.70 per annum

2.2 Garage Rents are not eligible for Housing Benefit.

3.0 WATER CHARGES

3.1 Members previously agreed to review charges to tenants with a metered water supply (in some sheltered schemes) annually as part of the review of service charges.

3.2 In order to maintain a breakeven position it is proposed to increase charges by 2% (the estimated inflationary increase on water rates for 2017/18). This gives an average increase from £3.70 per week to £3.77 per week.

3.3 Water charges are not eligible for Housing Benefit.

4.0 GARDEN ASSISTANCE SCHEME

4.1 It is proposed to increase charges by 5%:

Service	Current Charge	New Charge	Actual Increase in 2017/18
Grass Cutting and Hedges	£4.45	£4.70	£0.25
Grass Only	£3.15	£3.30	£0.15
Hedges Only	£1.30	£1.40	£0.10

4.2 The current scheme was re-tendered in 2016 for a one year period, with the option to extend for a further one year (until April 2018). As a result of re-tendering, significant financial savings have been made. There has been some under-performance by the contractor during this initial 12 months, where insufficient cuts have been made in terms of the contract however, satisfaction levels with the service users remain high.

4.3 It is proposed to reimburse the service users for any cuts they have paid for and not received in 2016/17. The contract will be re-tendered in April 2018. Any surplus at this time can be used to subsidise the scheme going forward.

4.4 Garden Assistance charges are not eligible for Housing Benefit.

5.0 COMMUNITY ROOMS

- 5.1 Housing Services manage 6 community rooms at various locations across the Borough. Usage currently varies between the venues, with income not meeting the costs associated with the maintenance and management of these facilities. Some of the venues have been refurbished in 2016/17, with other venues due to be refurbished in the next two financial years.
- 5.2 There are currently no clear guidelines as to which groups using the venues should receive a full or part concession or make a payment of £5.50 per hour to hire the venue.
- 5.3 It is therefore proposed to increase charges for the hire of community rooms in accordance with the report attached at **Appendix B**.

Type of Group	Comments	Proposed charge for 2017/18 per slot
Tenant and Resident Group	Groups which work on behalf of members of the community	Nil Charge
Councillor Surgeries	Surgeries run by Chesterfield BC or Derbyshire CC Members	Nil charge
Activities for the benefit of vulnerable people and for which funding is not available	For example, preparation and distribution of food hampers to vulnerable people	Nil charge
Activities for the benefit of local people	Activities where a charge can be made for the activity	£8.00
Charitable Organisations	Those with a charitable status and registration number	£8.00
Support Groups	Groups which support vulnerable or disadvantaged people and which are non-profit making	£8.00
Other non-commercial groups		£12.00
Commercial Organisations	Other organisations including statutory organisations who use the premises e.g. use of polling stations	£20.00

6.0 **COMMUNAL STAIRCASE CLEANING**

- 6.1 The contract for cleaning communal staircases is carried out by the in-house Building Cleaning ISP. Since this contract was awarded in July 2014, staffing costs have increased substantially due to the introduction of the Living Wage by 16.86%

6.2 Prior to this increase, the service was breaking even. In line with the approved HRA Business Plan agreed by Cabinet on 17 May 2016, service charges should break even and therefore in order that this service continues to recover its costs it is proposed to increase the weekly charge to tenants from £1.74 to £2.10.

6.3 Communal Staircase Cleaning charges **are** eligible for Housing Benefit.

7.0 TENANT HOME CONTENT INSURANCE PREMIUM TAX

7.1 In October 2016, the Government increased Insurance Premium Tax from 9.5% to 10%. In order that this service continues to recover its costs it is proposed to increase this weekly charge to tenants accordingly.

7.2 The tax is recovered weekly from tenants as part of their Home Contents Insurance Premium; the amount charged will depend on their individual level of home contents cover and is not eligible for Housing Benefit.

8.0 SHELTERED SCHEME SERVICE CHARGE

8.1 In order to maintain a breakeven position it is proposed to increase charges by 21 pence per week from £12.57 to £12.78. The approved charge applies to all sheltered housing schemes and will continue to be reviewed annually.

9.0 CARELINE RESPONSE AND SUPPORT SERVICES CHARGE

9.1 Careline Response and Support Services for older and vulnerable people are currently provided to funded and non-funded customers. For those eligible for funding, there are two separate contracts with DCC – Floating Visiting Support and Careline. In addition tenants and residents who cannot access funding from DCC can pay for the service.

9.2 From April 2016 major cuts have been made to DCC funding. The contract to provide funding for the floating visiting support service was reduced in numbers to 616 clients. This resulted in a reduction in funding of around £40,000 per year.

9.3 In addition, the Careline Partnership did not proceed as envisaged, which means that it is highly likely that DCC will seek to procure the Careline service they currently fund to clients living across Derbyshire and which

would have been provided by the Partnership. As a result this will mean that there will be a further significant reduction in funding to CBC of around £130,000 per year. The current contract with DCC ends in March 2017 and at the time of writing we are not aware as to whether DCC will further extend the current contract.

- 9.4 A range of measures have been compiled to manage and mitigate these losses and which were reported to Cabinet in February 2016, with an updated report to the Enterprise and Well-being Scrutiny Committee in June 2016.
- 9.5 **Sheltered Schemes** – the service delivered at sheltered schemes changed in April 2016 with the withdrawal of Scheme Managers, following the ending of this funding by DCC. Residents at schemes are now visited by a Support Officer under the same criteria outlined in the council's 'Visiting Floating Support for older People' contract with DCC. Some of the duties currently carried out by the former Sheltered Scheme Manager, for example cleaning, are now carried out by other means. Prior to April 2016, there was a charge of £21.27 per week which included a service charge, the Careline Response Service and the Scheme Manager service - the charges changed in April 2016 to reflect the changes to the service with the service charge set at £12.57 per week and a support charge (including Careline Response and Support) of £8.00 per week. It is estimated that this service will breakeven in 2016/17 and therefore it is proposed that the charges remain at the same level for 2017/18.
- 9.6 **Floating Support for Older People** – the contract number was reduced by DCC in April 2016 to 616 clients. This resulted in a reduction in funding of around £40,000 per year. The Council has recently been advised that the contract will be extended for a further year until March 2018, under the same terms and conditions. It is proposed to further advertise and market the Floating Support Service (for customers not eligible for DCC funding) as a package along with Careline Response Service (monitor, response and rental of equipment). For 2017/18 it is recommended to increase the charge from £8.00 to £8.50 per week.
- 9.7 **Careline** – Currently one service is provided for £5.50 per week which includes a monitor and response service including equipment rental. Up to 2015/16, we had only increased the charge by around 50p each year, to align our charges more closely with neighbours and competitors. To more closely reflect the true cost of providing the service we increased the charge by £2.10 per week for 2016/17. This service charge still remains low in comparison to neighbouring local authorities and other providers in

this market and with this in mind and given the funding gap faced it is proposed to offer the service at the following charge for 2017/18:

**Careline – Monitor and Response including equipment rental
£6.00 per week**