

	AGENDA ITEM NO.
Report Cover Sheet	
Name of Meeting:	Executive
Date of Meeting:	11 th February 2008
Report Title:	Heating, Lighting and Water Charges 2008/09 – Council Tenants
Summary of report:	To recommend the revised service charges for council tenants relating to heating, lighting and water and miscellaneous charges for the financial year 2008/09
For Further Information Please Contact (report author):	Sandra Jones, Principal Account (Housing) (01926) 456803 sandra.jones@warwickdc.gov.uk Bill Hunt, Head of Housing and Property Services (01926) 456403 bill.hunt@warwickdc.gov.uk
Business Unit:	Finance and Housing and Property Services
Would the recommended decision be contrary to the Policy Framework:	No
Would the recommended decision be contrary to the Budgetary framework:	No
Wards of the District directly affected by this decision:	All
Key Decision?	Yes
Included within the Forward Plan?	Yes – Ref 69
Is the report private & confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and name of meeting when issue was last considered and relevant minute number:	n/a
Background Papers:	Heating and Water Service Charges Working Papers
Consultation Undertaken	
Below is a table of the Council's regular consultees. However not all have to be consulted on every matter and if there was no obligation to consult with a specific consultee they will be marked as n/a.	

Consultees	Yes/ No	Who
Other Committees	No	
Ward Councillors	No	
Portfolio Holders	Yes	Councillor Doody
Other Councillors	Yes	Councillor Mrs. Grainger
Warwick District Council recognised Trades Unions	No	
Other Warwick District Council Service Areas	No	
Project partners	No	
Parish/Town Council	No	
Highways Authority	No	
Residents	No	
Citizens Panel	No	
Other consultees	No	
Officer Approval		
With regard to officer approval all reports must be approved by the report authors relevant director, Finance Services and Legal Services.		
Officer Approval	Date	Name
Relevant Director(s)	18/1/08	Mary Hawkins
Chief Executive	18/1/08	
CMT	18/1/08	
Section 151 Officer	18/1/08	Mary Hawkins
Legal	17/1/08	Simon Best
Finance	18/1/08	Mike Snow
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. RECOMMENDATIONS

- 1.1 To agree the revised service charges for council tenants relating to heating, lighting, water and miscellaneous charges for the financial year 2008/09, as set out in paragraphs 6 to 9 below.
- 1.2 That Executive considers delegating authority to the Head of Housing and Property Services to agree the annual variations to service charges, from 2009/10 onwards.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Weekly service charges are levied for the costs of electricity, gas and water supply usage in the communal areas of sheltered and very sheltered housing schemes and for their direct supply to individual properties through communal heating schemes.
- 2.2 The costs of maintaining communal laundry facilities are also recharged as a service charge at those sites benefiting from these facilities under the heading of miscellaneous charges.
- 2.3 These charges require annual review as a result of variations in the costs associated with these services, with tenants being notified of the change(s) at the same time as the annual rent increase.
- 2.4 These variations are solely as a consequence of the Council recovering the actual costs of service provision and it is therefore recommended that authority to agree the annual revision is delegated to the Head of Housing and Property Services.

3. ALTERNATIVE OPTIONS CONSIDERED

- 3.1 Service charges ensure that the direct costs of services provided are only recharged to those tenants receiving those services. There is no alternative to having the service charges and for reviewing them annually as otherwise the costs would have to be met through rent pooling, i.e. covering the cost from the rental income received from all tenants. This would impact on the annual rent increase and lead to charges being made to tenants who would never benefit from the services provided.
- 3.2 Executive could continue to approve the revised service charges on an annual basis rather than delegate authority. However, there is no ability to approve differing charges without an agreement to subsidise the charge made to the tenant receiving the service through rent pooling or to charge them at a rate above the actual cost in order to make a profit, hence the recommendation to delegate authority.

4. POLICY AND BUDGET FRAMEWORK

- 4.1 Service charges form part of the Housing Revenue Account which is a key component of the Council's budget framework.

5. BACKGROUND

- 5.1 Charges for electricity, gas, water and laundry facilities are recovered as a weekly service charge. They are based on average consumption over the past three years, updated for current costs. This requires an annual review as the average will change when the consumption and cost data is analysed for the most recent year.
- 5.2 During 2007/08 the cost of the Council's fuel supply contracts varied with the unit price for gas remaining the same, as a 2 year deal was negotiated, whilst the costs for electricity increased by an average 9.27%. These changes are reflected in the revised heating charges.

6. RADCLIFFE GARDENS, BRUNSWICK STREET, LEAMINGTON SPA

- 6.1 The 54 dwellings in this sheltered housing complex are supplied with domestic hot water all year round and with central heating, normally during the period October to May/June each year but dependent on weather conditions, from a communal gas boiler unit.
- 6.2 Having updated the 3 year average with regard to the previous 12 months' consumption and the current energy charges, it is recommended that as from 1st April 2008 the service charges be revised as follows:

	Current Weekly Charge 2007/08 £	Proposed Weekly Charge 2008/09 £
Bedsits and 1 bedroom flats	£ 5.40	£ 5.00
2 bedroom flats	£ 8.30	£ 7.95

7. FETHERSTON COURT, TACHBROOK ROAD, LEAMINGTON SPA

- 7.1 Fetherston Court is a sheltered housing complex of 9 flats. These properties are heated from a central gas boiler, and all gas and electricity supplies, including the wardens flat, are paid for by the Council. Having regard to the previous 12 months' consumption and the current energy charges, it is recommended that as from 1st April 2008 the service charges be revised from £12.60 to £10.65 per week.

8 HEATING, LIGHTING AND MISCELLANEOUS SERVICE CHARGES – VERY SHELTERED HOUSING SCHEMES

- 8.1 Having regard to the previous 12 months' consumption and the current energy charges, it is recommended that as from 1st April 2008 the service charges for these items at the 5 Very Sheltered Housing Schemes should be varied as follows :-

Heating, Lighting and Miscellaneous Charges	Current Weekly Charge 2007/08 £	Proposed Weekly Charge 2008/09 £
<u>(a) Acorn Court, Pound Lane, Lillington</u>		
Nos. 1 - 12, 14 – 41	£ 7.55	£7.10
Nos. 43, 44, 46 and 47 (Misc. Charge only)	£ 0.60	£ 0.60
<u>(b) Tannery Court, Bertie Road, Kenilworth</u>		
Nos. 1, 2, 4 – 6, 7a, 8 - 12, 22a, 14 - 40	£ 7.55	£ 7.75
No. 3 (Warden's accommodation)	£ 11.05	£ 11.40
<u>(c) Yeomanry Close, Priory Road, Warwick</u>		
Nos. 1 - 12, 14 – 32	£ 5.35	£ 5.70
<u>(d) James Court, Weston Close, Warwick</u>		
Nos. 1 - 12, 14 – 26	£ 7.35	£ 8.50
<u>(e) Chandos Court, Chandos Street, Leamington Spa</u>		
Nos. 1 - 12, 11a, 25a, 14 – 46	£ 8.10	£ 8.40

9. WATER CHARGES - VERY SHELTERED SCHEMES

- 9.1 It is recommended that, having regard to the previous 12 month's consumption and the current water charges, as from 1st April 2008 water service charges in respect of the 5 Very Sheltered Schemes should be varied as follows :-

Water Charges	Current Weekly Charge 2007/08 £	Proposed Weekly Charge 2008/09 £
<u>(a) Acorn Court, Pound Lane, Lillington</u>		
Nos. 1 - 12, 14 - 41, 43 – 47	£ 1.55	£ 1.45
<u>(b) Tannery Court, Bertie Road, Kenilworth</u>		
Nos. 1, 2, 3, 4 - 6, 7a, 8 - 12, 22a, 14 - 40	£ 1.45	£ 2.00

<u>(c) Yeomanry Close, Priory Road, Warwick</u>		
Nos. 1 - 12, 14 - 32, 33 and 34	£ 1.50	£ 2.15
<u>(d) James Court, Weston Close, Warwick</u>		
Nos. 1 - 12, 14 – 28	£ 2.15	£ 2.40
<u>(e) Chandos Court, Leamington Spa</u>		
Nos. 1 - 12, 11a, 25a, 14 - 46, 47	£ 1.45	£ 2.00