

## Appendix D

# Somerset West and Taunton Borough Council Fees and Charges 2019/20

## Housing Service Charges and Rent Charges

### Background

Housing Service Charges are charges made to housing tenants for the services that they use. Service Charges are set locally each year and are in addition to the Rent Charges which are set by government policy. This paper will cover changes to service charges and rent charges for 2019/20. We will deal with both in one paper as government policy on rent reduction is determined now for 2019/20 (usually rent is determined later in the year and papers are separately presented to committees).

### Legal Authority

It is proposed to increase Housing (non-rent) Fees and Service Charges by applying Retail Price Index (RPI) inflation as at September 2018. This is in accordance with the 30 year Housing Business Plan. The September 2018 RPI figure is 3.3% as published by the Office for National Statistics on the 17<sup>th</sup> October 2018.

The following are exceptions to the rule that service charges are uplifted by September 2018 RPI:

- ❖ Charges for properties not on mains sewer will be increased in line with Wessex Water increases for 2019/20 once known. Wessex Water rates for sewer standing charge per annum and poundage charges are used in the system calculation. In 2018/19 these are £7 unmetered sewerage standing charge and £1.6089 poundage charge. Wessex Water will publish new charges in February 2019 (available from their website) for 2019/20.
- ❖ It is proposed that licence fee charges for Temporary Accommodation properties are kept at the same level as TDBC and applied across new council area during 2019/20.
- ❖ For clarity, separate to the licence fee, the temporary Accommodation Units do attract service charges. The service charges will be increased by RPI in line with other properties. Although the licence fee remains as 2018/19.
- ❖ Feedback during 2017/18 report to TDBC was that tenants preferred charges to be rounded to whole numbers. Charges for guest rooms and meeting halls have therefore had RPI applied and been rounded. Guest rooms rounded to nearest 50p and meeting halls to nearest 10p.
- ❖ Due to the timing of the uplift and roll-out of the scheme, Shared Ownership or affordable rented properties will not be included for 2019/20. Any properties which are available to rent prior to April 2019 will remain on the same rent level during financial year 2019/20.

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### Social Housing Rent 2019-20

It is proposed that in accordance with the Welfare Reform and Work Act 2016 Social Rent Reduction, council housing Rent Charges will be decreased by 1% for 2019/20, and is the fourth and final 'relevant' year registered providers of social housing must reduce the total rent payable by a tenant. For social rent properties, the reduction applies only to the rent element and not the Service Charges.

The following are exceptions to the rule for the 1% decrease Rent Charge:

- ❖ Shared ownership homes
- ❖ Temporary accommodation

Local Authorities have certain limited freedoms to charge for discretionary services under the Local Government Act 2003.

Contractually and through section 10 of the Housing Act 1985 (as amended by Local Government & Housing Act 1989) Taunton Deane Borough Council are permitted to make the charges detailed below.

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### Charges

- Displayed below is the table of fees and charges, comparing 2018/19 to 2019/20 indicative prices (RPI of 3.3% has been applied).

<b>Housing Service Charges</b>	<b>Actual 2018/19</b>	<b>% increase</b>	<b>Estimated 2019/20</b>
<b>Service Charges (VAT not applicable) – Per Week</b>			
Communal areas	£0.63	RPI	£0.65
Grounds maintenance	£1.84	RPI	£1.90
Heating charge (Broomfield House only)	£5.06	RPI	£5.23
Laundry charge (Broomfield House only)	£1.54	RPI	£1.59
<b>Combined Service Charges (VAT not applicable) – Per Week</b>			
Sheltered Housing	£11.58	RPI	£11.96
Extra Care Housing Service Charge	£21.72	RPI	£22.44
<b>Garage Rents - Per Week</b>			
Council tenants (VAT not applicable)	£6.17	RPI	£6.37
Private tenants and Owner Occupiers (exc. VAT)	£8.33	RPI	£8.60
Private tenants and Owner Occupiers (inc. VAT)	£10.00	RPI	£10.32
<b>Hire Charges for Sheltered Scheme Meeting Halls (ex VAT)</b>			
First hour	£10.40	RPI	£10.80
Each half hour thereafter	£5.20	RPI	£5.40
6 hours plus	£62.30	RPI	£64.40
Total charge for residents in a scheme and community organisations	£14.30	RPI	£14.80
<b>Hire Charges for Sheltered Scheme Guest Rooms (ex VAT) Taunfried, Middleway, Hope Corner Lane, Kilkenny and Lodge</b>			
No. of nights per person -1 <sup>st</sup> night per person per night	£21.00	RPI	£22.00
No. of nights per person -2	£31.00	RPI	£32.00
No. of nights per person -3	£41.50	RPI	£43.00
No. of nights per person -4	£52.00	RPI	£54.00
No. of nights per person -5	£62.00	RPI	£64.00
No. of nights per person -6	£73.00	RPI	£75.50
No. of nights per person -7	£83.00	RPI	£86.00

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<b>Temporary Accommodation (rent per day, VAT not applicable)</b>	<b>Daily Licence Fee &amp; Service Charge 2018/19</b>	<b>Gross Licence Fee Per Day 2018/19</b>	<b>Daily Service Charge 2019/20</b>	<b>Gross Charge Per Day 2019/20</b>
40 Humphreys Road (2 bedroom)	£0.97	£17.28	£1.00	£17.31
1 Gay Street (2 bedroom)	£0.97	£17.28	£1.00	£17.31
10 Duke Street (3 bedroom)	£1.22	£20.50	£1.26	£20.54
<b>Outer Circle</b>				
96 Outer Circle (2 bedroom)	£0.97	£17.28	£1.00	£17.31
113 (studio)	£0.73	£13.78	£0.75	£13.80
113a (studio)	£0.73	£13.78	£0.75	£13.80
115 (3 bedroom)	£1.22	£20.50	£1.26	£20.54
115a (3 bedroom)	£1.22	£20.50	£1.26	£20.54
119 (studio)	£0.73	£13.78	£0.75	£13.80
119a (studio)	£0.73	£13.78	£0.75	£13.80
<b>Snedden Grove</b>				
Unit 1 (2 bedroom)	£0.97	£17.28	£1.00	£17.31
Unit 2 (2 bedroom)	£0.97	£17.28	£1.00	£17.31
Unit 3 (2 bedroom)	£0.97	£17.28	£1.00	£17.31
Unit 4 (3 bedroom)	£1.22	£20.50	£1.26	£20.54
Unit 5 (3 bedroom)	£1.22	£20.50	£1.26	£20.54
Unit 6 (2 bedroom)	£0.97	£17.28	£1.00	£17.31
Unit 7 (3 bedroom)	£1.22	£20.50	£1.26	£20.54
Unit 8 (2 bedroom)	£0.97	£17.28	£1.00	£17.31
<b>Wheatley Crescent (4 studios)</b>				
30 (1 bedroom)	£0.73	£13.78	£0.75	£13.80
32 (1 bedroom)	£0.73	£13.78	£0.75	£13.80
34 (1 bedroom)	£0.73	£13.78	£0.75	£13.80
36 (1 bedroom)	£0.73	£13.78	£0.75	£13.80

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<b>Howard Road (Magna)</b>				
43a (1 bedroom)	N/a	£13.05	N/a	£13.05
43b (1 bedroom)	N/a	£13.05	N/a	£13.05
43c (1 bedroom)	N/a	£13.05	N/a	£13.05
43d (1 bedroom)	N/a	£13.05	N/a	£13.05

### Discounts

Discounts do not apply to service charges.

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### **Budget Impacts**

In accordance with the 30 year Housing Business Plan, it is proposed to increase Housing (non rent) Fees and Charges by applying Retail Price Index (RPI) inflation as at September 2018 (3.3%) with the following exceptions:

- Water rates and non mains sewerage rates
- Temporary accommodation licence fee
- Guest rooms will be increased by RPI and rounded to the nearest 50p and meeting halls will be increased by RPI and rounded to the nearest 10p
- Shared ownership and affordable rents

The change in service charges will increase income by an estimated £41k to £1.300m. The 1% reduction in social rent (across all categories of provision) will reduce rental income by an estimated £241k (£24.141m to £23.9m).

### **Equality Impact Assessment**

An Equality Impact Assessment form has been completed and Housing Services will continue to provide a number of initiatives to enable service users to manage their finances and maximise their income.

### **Recommendation**

Tenant Services Management Board commented on the proposed fees during their meeting 29<sup>th</sup> October 2018.