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**REPORT TO:** CABINET MEMBER (HOUSING)

**DATE:** 6 JANUARY 2009

**DEPARTMENT:** DEPARTMENT OF COMMUNITY SERVICES

**REPORTING OFFICER:** HEAD OF HOUSING (MR ALAN JENKS)

**SUBJECT:** REVIEW OF CHARGES FOR HOUSING RELATED SERVICES AND TEMPORARY ACCOMMODATION 2009/10

**WARD/S AFFECTED:** ALL

**FORWARD PLAN REF:**

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**1.0 PURPOSE OF REPORT**

1.1 This report seeks approval for revised charges for housing related services and temporary accommodation from 30 March 2009 set out in Appendix A. The Director of Resources has been consulted in preparing this report.

**2.0 RECOMMENDATION/S**

2.1 That the revised charges for housing related services and temporary accommodation set out in Appendix A be approved from 30 March 2009.

**3.0 RECOMMENDED REASON(S) FOR DECISION/S**

3.1 The decision is necessary to agree revised charges, the income from which is reflected in the Housing Revenue Account Budget 2009/10.

**4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION**

4.1 To amend the recommended revised charges, subject to the Council's agreed financial strategy, and Government guidance issued regarding charges for services under the Supporting People regime and rent restructuring.  
This is not being recommended as it is felt the proposed charges set out in

Appendix A are appropriate.

## **5.0 THE PROPOSED CHANGES IN HOUSING RELATED CHARGES AND TEMPORARY ACCOMMODATION FOR 2009/10**

- 5.1 The attached Appendix A gives details of each charge, together with the level of charges to be recommended for 2009/10
- 5.2 At its meeting on 26<sup>th</sup> January 1995 the Housing Services Committee resolved that as far as possible charges for housing related services should be rounded to the nearest 10p, and the recommendations set out in Appendix A follow this principle, except where changes are determined by the guidance on Supporting People and rent restructuring
- 5.3 The recommended charges for 2009/10 represent an increase of approximately 5%, (rounded to the nearest 10p), with the exception of;
- housing related support services, (considered in more detail in Section 6 below),
  - homeless hostel occupancy, (determined by Government guidance on rent restructuring),
  - Utility charges and charges for other services linked to external providers,
  - Bed and breakfast and private sector temporary accommodation, (where it is not proposed to increase charges in view of the Government cap on housing benefit thresholds in 2009/10).
- 5.4 Members should note that all charges will be collected either over 53 or 49 weeks in 2009/10 as the coming year financial year has an extra week in it.

## **6.0 HOUSING RELATED SUPPORT CHARGES**

- 6.1 In April 2003 the Government introduced a new financial regime for the funding of support services provided to people in their own homes known as "Supporting People". The new funding arrangements cover the full range of housing related support services provided by a range of agencies, including the Council.
- 6.2 In North Yorkshire responsibility for administering the Supporting People Grant lies with North Yorkshire County Council.
- 6.3 Those receiving long-term support services, (for example, those living in Warden Service housing), are liable to pay a support service charge, but anyone in receipt of Housing Benefit is exempt from this charge. In addition, clients not in receipt of Housing Benefit can claim means tested financial assistance from the County Council to help them meet that charge.
- 6.4 Tenants whose tenancy began before 31<sup>st</sup> March 2003, were initially protected from increases in charges for support services after that date, apart from any inflationary increase agreed by the Supporting People Commissioning Body. At its meeting on 22 August 2007 Cabinet agreed to phase out this protection from January 2008, and the recommended charges include provision for the final phased increase to bring charges into parity from 30<sup>th</sup> March 2009.

- 6.5 North Yorkshire Supporting People have indicated an increase of only 1% in Supporting People Grant for 2009/10, and the charges proposed reflect this. The alternative would be to increase charges to clients by more than 1% and seek to recover the difference direct from clients. This is not being recommended due to the cost of administering this and the vulnerable nature of the elderly client group concerned. This will, however, result in the Housing Revenue Account bearing approximately £200k of the cost of providing the service in 2009/10, and this is reflected in the budget for 2009/10.
- 6.6 In addition to the support service charge, tenants of warden-serviced accommodation with the benefit of a common room pay an additional charge, (which is added to their rent and is eligible for housing benefit), as a contribution towards the cost of the additional amenity. In 2008/09, this charge was £1.60 per week over 48 weeks. This charge falls outside of the Supporting People guidance but is eligible for Housing Benefit. It is recommended that this charge be increased to £1.70 in 2009/10.

## **7.0 TEMPORARY ACCOMMODATION CHARGES**

- 7.1 Households living in the Council's hostels, (pending investigation of their homeless application or permanent rehousing), pay a charge made up of;
- An accommodation charge, and
  - A utilities charge, as a contribution towards water, gas and electricity.
- 7.2 Hostel charges are made daily and collected over a full financial year. They are calculated under the Government's rent restructuring regime, which affects all HRA rents. Target charges are calculated for each property, using a prescribed formula set by the Government. The proposed hostel charges in line with the Government formula are set out in Appendix A Part 8.
- 7.3 When homeless applicants are placed in bed and breakfast or in private sector temporary accommodation they are charged a contribution towards the cost of provision. This charge is in line with the amount eligible for Housing Benefit, but the Council continues to bear significant costs in meeting the difference between the actual cost, (which varies upwards from £25 per person per night), and the contribution made by the household. The Government has confirmed it's intention to cap, for the third year running, the Housing Benefit thresholds for Council's outside the London Boroughs for 2009/10, and it is, therefore, proposed not to increase temporary accommodation charges next year. To do so would mean households would have to meet any difference between the charge and the benefit threshold themselves, and this would inevitably result in hardship. The providers of bed and breakfast and private sector temporary accommodation have not indicated any increase in charges for 2009/10, but if costs do increase this would result in an increase in expenditure as a

result of charges to applicants not being increased.  
The current and proposed charges are set out in Appendix A.

**8.0 HEATING CHARGES – MAPLE CREEK AND BONDGATE COURT**

8.1 Heating is provided for tenants at Maple Creek, Masham and Bondgate Court, Ripon through a central heating plant, and an element of the fuel cost is recharged to tenants.  
A charge of £4.45 (collected over 48 weeks) was introduced at Bondgate Court from 1<sup>st</sup> November 2008 following the replacement of the previous heating system, on the basis that it would be reviewed from April 2009. This compares to charges at Maple Creek in 2008/09 of £6.20 (bedsit) and £9.40 (one bedroom flat).  
It is clear that a more realistic charge should be made at Bondgate Court, and it is proposed to standardise the weekly charge for both schemes from 2009/10 as set out in Appendix A.  
Although this will result in a significant increase in charges at Bondgate Court this level of charge reflects the cost of the heating provided, which will still remain affordable.

**9.0 RISK MANAGEMENT**

9.1 There are three main risks with regard to charges for services covered by this report;

- Increased levels of unpaid charges,
- Reduction in demand for services, resulting in a reduction in revenue
- Failure to recover the cost of services, in particular support services

9.2 Arrangements for the effective management and recovery of unpaid charges are in place and will continue to be monitored.

9.3 The demand for services covered by this report remains consistent, and it is felt that the proposed increases in charges will not affect this. However, this will be monitored throughout the coming financial year.

Background Papers –

OFFICER CONTACT: Please contact Alan Jenks (Head of Housing), if you require any further information on the contents of this report. The officer can be contacted at the Department of Community Services, Springfield House, Kings Road, Harrogate, HG1 5NX, by telephone on 01423-556849 or by e-mail – [alan.jenks@harrogate.gov.uk](mailto:alan.jenks@harrogate.gov.uk)

**SUSTAINABILITY ASSESSMENT/CRIME AND DISORDER**

		Implications are		
		Positive	Neutral	Negative
A	Economy		✓	
B	Environment		✓	
C	Social Equity			
i)	General		✓	

ii)	Customer Care/People with Disabilities		✓	
iii)	Health Implications		✓	
D	Crime and Disorder		✓	

**APPENDIX A**  
**GARAGE RENTS**

- 1.1 Separate rents are charged for garages that are not within the curtilage of a dwelling. The current policy is to base charges on what it is considered the market can reasonably bear.
- 1.2 At its meeting on 19<sup>th</sup> January 1994 the Housing Services Committee approved the introduction of differential charges for garages, based on their type and/or location and relative demand. The following banding of garage sites was agreed, based on waiting lists, turnover of vacancies, the level of alternative garage provision and local knowledge of, for example the ease of letting garage vacancies (numbers in brackets indicate number of garages): -

<b><u>BAND A GARAGES</u></b>	<b><u>BAND B GARAGES</u></b>
Lead Lane, Ripon (18)	Lupton Close, Glasshouses (22)
North Rd, Ripon (7)	Gun Bank, Masham (5)
Holmfield Rd, Ripon (23)	Leyburn Rd, Masham (17)
Bondgate, Ripon (7)	Orchard View, Melmerby (2)
Judson Close, Ripon (4)	Bondgate Court, Ripon (2)
Maple Creek, Masham (10)	St. Michaels Mead, Sawley (6)
St. Johns Crescent, Bishop Monkton (4)	Kingsway, Weeton (16)
St. Johns Way, Bishop Monkton (8)	Carrside, Great Ouseburn (6)
Pannal Green, Pannal (22)	Meadow Vale, Green Hammerton (6)
Williams Court, Beckwithshaw (7)	Ainsty View, Whixley (4)
Fisher Gardens, Knaresborough (32)	Gasgoigne Crescent, Harrogate (15)
Windsor La, Knaresborough (16)	Eleanor Rd, Harrogate (23)
Inman Walk, Knaresborough (10)	Cawthorne Ave, Harrogate (19)
Charlton Ave, Knaresborough (6)	East Park Rd, Spofforth (12)
Charlton Drive, Knaresborough (6)	Church Close, Sharow (9)
Park Row, Knaresborough (7)	Baldersby, Thirsk (2)
Dene Park, Harrogate (1)	Grangefields, Dishforth (3)
Woodfield Close, Harrogate (26)	Brackenwell La, North Rigton (9)
Hookstone Ave, Harrogate (4)	Stockwell Gr. & Stockwell Place Knaresborough (18)
Main St, Sicklinghall (3)	Valley Rd, Darley (19)
	Peckfield Close, Hampsthwaite (9)
	Kingwood, Markington (8)
	West Grove, Bishop Thornton (5)
	Whinfields, Summerbridge (12)
	Gallows Hill, Ripon (22)
	Wharfe View, Kirkby Overblow (6)
	Spence Croft, Angram (6)
	Tranmere Croft, Darley (6)
	Moor La, Bilton-in-Ainsty (3)
	School House Ter., Kirk Deighton (6)
	Butt Hedge, Long Marston (6)

- 1.3 The following charges are proposed for 2009/10, (excluding VAT, which is payable by non-Council tenants) :-

	<b>2008/09 charge (48 weeks)</b>	<b>2009/10 charge (49 weeks)</b>
	<b>£</b>	
Band A sites	9.20	9.70
Band B sites	8.30	8.80

Garage pitches	1.50	1.60
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## 2.0 WARDEN SERVICE CHARGES – SUPPORTING PEOPLE FUNDED

2.1 The weekly charges proposed for 2009/10 are set out below: -

	2008/09 Charges (48 weeks) £	Proposed 2009/10 charges (49 weeks) £
<b>Charges For Tenancies Commencing Prior to 1<sup>st</sup> April 2003</b>		
Level 1 service (Emergency response + monthly visit)	6.00	6.75
Level 2 service (Emergency response + up to 5 visits per week)	13.00	13.51
Level 3 service (Resident Warden)	15.80	17.43
<b>Charges For Tenancies Commencing After 1<sup>st</sup> April 2003</b>		
Level 1 service (Emergency response + monthly visits)	6.68	6.75
Level 2 service (Emergency response + up to 5 visits per week)	13.38	13.51
Level 3 service (Resident Warden)	17.26	17.43

## 3.0 DISPERSED ALARM SERVICE – NOT SUPPORTING PEOPLE FUNDED

- 3.1 In July 1989, the District Council introduced a Dispersed Community Alarm service for elderly or disabled residents not in warden serviced housing. The basis of the service is the provision of standalone alarm units linked via telephone line to a central control, which provides a 24-hour monitoring service. Locally based Mobile Warden staff, employed by the District Council, provide the first response in emergencies.
- 3.2 Following a review of the accounting arrangements for warden services (which was the subject of previous reports), the income and expenditure associated with the Dispersed Alarm Service is apportioned between the Housing Revenue Account and the General Fund based on the relative levels of use by public and private sector clients.
- 3.3 The Dispersed Alarm Service falls outside of Supporting People, and so is not limited by Supporting People Grant. The following revised weekly charges, collected over 53 weeks, (exclusive of VAT payable by non-Council tenants), are proposed for 2009/10.

	2008/09 charge (52 weeks) £	2009/10 charge (53 weeks) £
Monitoring & Response (Client provides equipment)	2.80	3.00
Monitoring & Response (Council provides equipment)	5.60	6.00

Monitoring & Response + weekly visit	12.35	12.49
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#### 4.0 WARDEN SCHEME – GUEST BEDROOM CHARGES

4.1 Guest bedrooms are provided at seven of the District Council’s warden serviced schemes, and charges are made on a nightly or weekly basis as a contribution towards cleaning, laundry and other costs associated with providing this facility.

4.2 The recommended charges, including VAT, for 2009/10 are as follows: -

	2008/09 charge		2009/10 charge	
	£		£	
	Summer	Winter	Summer	Winter
Single per night	8.60	9.70	9.10	10.20
Single per week	43.00	48.80	54.60*	61.20*
Double per night	11.20	12.80	11.80	13.50
Double per week	56.20	64.00	70.80*	81.00*

\* based on moving to charging 7 nights for the price of 6

#### 5.0 WARDEN SCHEMES – HEATING CHARGES

5.1 Heating is provided for tenants at Maple Creek, Masham and Bondgate Court, Ripon through a central heating plant, and an element of the fuel cost is recharged to tenants.

The charge at Bondgate Court was introduced from 1<sup>st</sup> November 2008 following the replacement of the previous heating system, and the current charge was set on the basis that it would be reviewed from April 2009. It is clear that a more realistic charge should be made at Bondgate Court, and it is proposed to standardise the weekly charge for both schemes from 2009/10 as follows.

	2008/09 charge	2009/10 charge
	(48 weeks)	(49 weeks)
	£	£
<b>Maple Creek, Masham</b>		
Bedsits	6.20	6.50
1 bed flats	9.40	9.90
<b>Bondgate Court, Ripon</b>		
Bedsits	4.45	6.50
1 bed flats	4.45	9.90

#### 6.0 RECHARGEABLE REPAIRS – ADMINISTRATIVE CHARGE

6.1 Where repairs are carried out which are the responsibility of a tenant the costs are recharged together with an additional 15% towards administrative costs. It is recommended that this charge remain at 15% for 2009/10.

#### 7.0 ENQUIRIES FROM FINANCE HOUSES

7.1 The fee for enquiries made by finance houses is rarely levied, being limited to two or three such enquiries each year. It is recommended that this charge be



increased by approximately 5% from £94.60 to £99.40, including VAT, from 2009/10.

## 8.0 TEMPORARY ACCOMODATION

- 8.1 Households living in the Council's hostels, (pending investigation of their homeless application or permanent rehousing), pay a charge made up of;
- an accommodation charge, (which is determined by a Government prescribed formula and are not detailed in this report), and
  - a utilities charge, as a contribution towards water, gas and electricity.

## 8.2 COUNCIL HOSTEL CHARGES

Charges for the Council's own hostels are made daily, but are calculated using the Governments formula for weekly target rents appropriate to the accommodation provided. The proposed charges (excluding Council Tax) for 2009/10 are;

LOCATION	2008/09 Daily charge £	2009/10 Daily charge £
<u>Robert Street, Harrogate</u>		
Bedsitting room	9.89	10.21
2 bedroom	10.42	10.83
<u>Blossomgate, Ripon</u>		
1 bedroom	10.99	11.44
<u>Avondale, Harrogate</u>		
Bedsitting room	11.52	11.83
1 bedroom	11.84	12.19
2 bedroom	12.44	12.83
<u>Stockwell La, Knaresborough</u>		
Bedsitting room	11.31	11.63
1 bedroom	11.59	11.96
2 bedroom	11.91	12.32
3 bedroom	12.42	12.87

## 8.3 UTILITIES CHARGES

Where they are not individually metered, charges for utilities are levied separately. The 2008/09 charge was increased to reflect increases in utility costs, but it has become evident that this level of charge is above the accepted definition for fuel poverty, i.e. fuel costs being more than 10% of income. It is therefore proposed to introduce a banded charge based on gross income. Whilst this will reduce income overall it will also reduce the risk of a legal challenge being made against the Council that the charges are not affordable.

The proposed utilities charges for 2009/10 are set out below.

	2008/09 DAILY UTILITIES CHARGE £	2009/10 DAILY UTILITIES CHARGE £	2009/10 WEEKLY UTILITIES CHARGE £
Income Support/Job			

Seekers Allowance only	4.30	1.30	9.10
Gross Income £50 - £75 per week	4.30	1.60	11.20
Gross Income >£75 per week	4.30	2.00	14.00

#### 8.4 **BED AND BREAKFAST CHARGES**

When homeless applicants are placed in bed and breakfast, they are charged a contribution towards the cost of provision. This is a charge per household rather than per person, and is below the cost borne by the Council.

The proposed revised charges for 2009/10, (which include elements for breakfast, water, and heat/fuel, which are not eligible for Housing Benefit), are set out below, and remain capped at Housing Benefit thresholds.

Household size	Daily Charge £	Weekly Charge
1	28.17	197.19
2	28.54	199.78
3	28.91	202.37
4	29.28	204.96
5	29.65	207.55
6	30.02	210.14
7	30.39	212.73
8	30.76	215.32

These charges include an element for breakfast, water, and heat/fuel, which are not eligible for Housing Benefit, and therefore have to be paid by everyone in Bed and Breakfast accommodation regardless of circumstances.

It is also proposed to cap these elements for 2009/10 as set out in the following table:

	Daily Charge £	Weekly Charge £
Breakfast	0.37	2.60
Water	0.19	1.33
Heat/Fuel	1.32	9.24

#### 8.5 **PRIVATE SECTOR TEMPORARY ACCOMMODATION**

For households in accommodation provided by in the private sector breakfast is not provided as the properties have kitchen facilities. The landlord collects charges for water and heat/light separately.

This is a charge per household rather than per person, and it is proposed to freeze the charge at the following levels in order to keep them within Housing Benefit thresholds.

Daily Charge £	Weekly Charge £
26.29	184.03