

Report to: **ENVIRONMENT, DEVELOPMENT AND
REGENERATION SCRUTINY COMMITTEE**

Item:

Date: 6th February 2006

Date:

Report of: Chief Housing Officer

Contact Officer: Edward Mellor ext 5660

Report No.

TITLE OF REPORT:

MISCELLANEOUS RENTS AND CHARGES – 2006 – 2007

NON-CONFIDENTIAL

This report does **not** contain information which warrants its consideration in the absence of the Press or Members of the public

RECOMMENDATIONS:

Comments are invited on increases proposed in the report

DECISION:

Signed:
Leader/Executive Member Monitoring Officer

Date:
.....

Signed:

Leader/Executive Member

Monitoring Officer



Date:

An Equality Impact Assessment is not required because this report does not relate to a change or introduction of any new policy, procedure or working practice.

SUMMARY OF REPORT:

The report considers the following rents and charges for the financial year 2006-2007.

Council Charges – Services managed by Bolton at Home

- a) Garage rents
- b) Careline charges
- c) Sheltered Housing Support charges
- d) Concierge service
- e) Mere Gardens Intensive Management Charge
- f) Young Persons Tenancy Sustainment Charge (also approval for 2005/06)

Council Charges – Services managed by Bolton MBC

- g) Caravan Site Rents.
- h) Clare Court charges (separate report to follow)
- i) Refugee Project
- j) Furnished Tenancy Scheme

The report also shows the effect on the overall increases in rents, fees and charges for a sample of 3 properties

Garage Rents

1. Purpose

- 1.1 To seek approval to increase garage rents for new garages by 2.5%.

2. Background

- 2.1 Bolton at Home manages 681 garages situated within colonies that are distributed throughout the Borough.
- 2.2 Council tenants currently pay £192.00 annually to rent one of the existing stock of garages. Those people who rent garages but are not Council Tenants also pay V.A.T. levied at 17.5%. It has previously been agreed that the rent increase would be levied in April.
- 2.3 On the 14th October 2002 a report was taken to the Executive Member for Housing which reported on the results of the consultation exercise which had been undertaken in respect of garages. It recommended that all garages should be demolished and replaced in a traditional construction on a site by site basis over two years, subject to funding. It also recommended that once built, rents should be increased to £6.00 per week to achieve profitability over the 30 year life cycle.
- 2.4 With effect from April 2005, rents for new garages were increased to £6 per week whilst rents for older garages awaiting replacement were held at £4 per week.

3. Proposed Garage Rent for 2006-2007

- 3.1 It is proposed to increase the charge for new garages to £6.15 from April 2006 in line with inflation.
- 3.2 It is proposed to keep the rent for existing garages prior to replacement at £4.00.

4. Recommendations

- 4.1 The Executive Member is asked to approve an increase in the rents for new garages to £6.15.
- 4.2 The Executive Member is asked to approve no change in the rents for existing garages prior to replacement with charges to remain at £4.00.

Careline Charges

1. Purpose

- 1.1 To seek Members recommendation to increase Careline charges by 2.95% in line with pay inflation.

2. Background

- 2.1 The Council monitors approximately 7,300 Careline customers, which are distributed throughout the borough.
- 2.2 Council tenants in sheltered accommodation currently pay £2.94 per week over 48 weeks. Those people who use the Careline Service, but are not resident in sheltered accommodation also pay V.A.T. levied at 17.5%.

3. Proposed Careline charges for 2004-2005

- 3.1 It is proposed to increase the Careline charge by 9p to £3.03 per week, an increase of 3.0% (after rounding) which is in line with expected increases in costs from April 2006 and assumptions in the General Fund Housing Strategic Resource Bid 2006/07

4. Supporting People

- 4.1 Careline customers who are in receipt of housing benefit or who have successfully applied for a Fairer Charging assessment are eligible to have their Careline charge paid for from the Supporting People grant. Currently the contract between Careline and the Supporting People commissioning body allows for a Careline charge of £2.78. The difference between the level of charge funded by the Supporting people grant and the actual charge is currently funded from the General Fund.
- 4.2 A draft settlement for the Supporting Grant for 2006/07 has been received by Bolton MBC and an assessment is being made about whether an inflationary increase in the grant will be made for 2006/07.

5. Recommendations

- 5.1 That the Executive Member approves an increase in Careline charges of 2.95%.

Sheltered Housing Support Charges

1. Purpose

- 1.1 To seek Members recommendation to increase Sheltered Housing Support charges by 2.95% in line with pay inflation

2. Background

- 2.1 The Council has over 3,000 sheltered housing customers distributed throughout the borough.
- 2.2 The charge for the service for new customers is currently £9.26 per week. If customers are on Housing Benefit or are eligible under the Fairer Charging rules then they may have the charge funded from Supporting People monies. This applies to the majority of customers.
- 2.3 Customers of the service as at 1st April 2003 are currently paying £3.89 per week, and receiving transitional protection of £5.48 per week from the full economic charge of £9.26

3. Proposed Sheltered Housing Support charges for 2006-2007

- 3.1 It is proposed to increase the charges for the Sheltered Housing service by 2.95% in line with the expected increase in costs from April 2006.
- 3.2 This equates to an increase in the Sheltered Housing charge of 27p to £9.53 per week,. It is also recommended that the charge to existing customers is increased by 11p to £4.00 an increase of 2.95% and that transitional protection provided by the General Fund is increased from £5.37 to £5.53. This is in accordance with assumptions in the General Fund Housing Strategic Resource Bid 2006/07.

4. Supporting People

- 4.1 As stated in paragraph 2.2 customers who are in receipt of housing benefit or who have successfully applied for a Fairer Charging assessment are eligible to have their Sheltered Housing charge paid for from the Supporting People grant. Currently the contract between Sheltered Housing and the Supporting People commissioning body allows for a Sheltered Housing charge of £8.67. The difference between the level of charge funded by the Supporting people grant and the actual charge is currently funded from the General Fund.
- 4.2 A draft settlement for the Supporting Grant for 2006/07 has been received by Bolton MBC and an assessment is being made about whether an inflationary increase in the grant will be made for 2006/07.

5. Recommendations

- 5.1 That the Executive Member approves an increase in Sheltered Housing support charges of 2.95%.

Crompton Lodge Caravan Site

1 Purpose

- 1.1 To seek the Executive Members approval to increase the rent on Crompton Lodge Caravan Site to reflect inflation of 2.95%.

2 Background

- 2.1 The rent for a pitch on the Crompton Lodge site is currently £69.77 per week.

3 Proposed increase for 2006-2007

- 3.1 It is proposed that a rise in rent covering inflation of 2.95% be applied. This equates to an increase £2.06 to £71.83. This is in accordance with assumptions in the General Fund Housing Strategic Resource Bid 2006/07.

4 Recommendations

- 4.1 The Executive Member for Development and Regeneration approve the increase in rents by 2.95% to £71.83 per week from 3 April 2006.

Concierge & CCTV Charges

1. Purpose

- 1.1 To seek Members recommendation to increase Concierge charges by 2.95% in line with pay inflation

2. Background

- 2.1 A report was brought to the Executive Member for Housing which proposed introducing a service charge for the concierge service with effect from April 2003. This charge was linked to an increase in the costs arising from the expansion of the concierge and CCTV monitoring service.

3. Proposed Concierge charges for 2006-2007

- 3.1 It is proposed to increase the charges for the Concierge service by 2.95% in line with the expected increase in costs from April 2006. This increase equates to 9p per week, taking the charge to £3.00 per week.

4. Recommendations

- 4.1 That the Executive Member approves the increase in Concierge support charges.

Refugee Gateway Project

1. Purpose

- 1.1 To seek Members recommendation to increase, in line with pay inflation, the service charge for the intensive management in relation to the Gateway Refugee Project

2. Background

- 2.1 The Home office has developed a quota refugee resettlement programme, where refugees are brought in a planned manner. The aim of this scheme is to provide accommodation and settle and integrate the families into the community.
- 2.2 Some of these refugees will be placed in Council Properties – which used to be occupied by Asylum seekers. A post will then be used to support these refugees with some of the funding come from a grant from the Government and the remainder coming from a service charge which is to be fully funded by Housing Benefit.
The intensive management element of the post to be funded through the service charge will mainly cover daily support to the refugees including weekly visits.

3. Proposed Refugee Service charges for 2006/07

- 3.1 It is proposed for increase the service charge by £0.31 to £10.84 with effect from 3 April 2006.

4. Recommendations

- 4.1 That the Executive Member approves a revised charge of £10.84 per week with effect from 3 April 2006.

1. Purpose

- 1.1 To seek Members recommendation to increase the charge for the furnished tenancy scheme by 2.95%, in line with pay inflation.

2. Background

- 2.1 The furnished tenancy scheme was approved by Executive Member in December 2002. It provides furnished tenancies in Council homes throughout the borough mainly in 1 bedroomed flats. A service charge has been made of £14.64 per week to recover the cost of both the furniture over a 3 year period and the administration costs of running the scheme.

The scheme is managed by a furnished tenancy officer and an assistant within the Strategic Housing Unit. It is particularly aimed at disadvantaged client groups on low income who are less likely to be able to purchase furniture when taking up the offer of a tenancy. The scheme has proved to be very successful over the last 3 years with over 180 properties in the scheme.

3. Proposed Furnished Tenancy Scheme charge for 2006/07

- 3.1 It is proposed to increase the charge by £0.43 to £15.07 with effect from 3 April 2006.

4. Recommendations

- 4.2 That the Executive Member approves a revised charge of £15.07 per week with effect from 3 April 2006.

1. Purpose

- 1.1 To seek Members recommendation to increase, in line with pay inflation, the service charge for the intensive management in relation to the Mere Gardens Tenancy Sustainment Scheme.

2. Background

- 2.1 Earlier this financial year the Executive Member for Development and Regeneration approved the introduction of the tenancy incentive scheme based at Mere Gardens. The scheme is designed to provide more intensive support to tenants within Mere Gardens.
- 2.2 The support is provided by a Housing Officer and covered through Housing Benefits.

3. Proposed Mere Gardens Service charges for 2006/07

- 3.1 It is proposed for increase the service charge by £0.60 to £9.51 with effect from 3 April 2006.

4. Recommendations

- 4.3 That the Executive Member approves a revised charge of £9.48 per week with effect from 3 April 2006.

Young Persons Tenancy Sustainment Scheme

1. Purpose

- 1.1 To seek Members recommendation to set a service charge of £11.45 for 2005/2006 for a mobile young persons intensive management scheme for a borough wide service. The charge for 2006/2007 would then be increased, in line with pay inflation.

Background

- 2.1 Due to current housing trends (i.e. higher prices in private sector housing) more young people are looking for accommodation in the public sector. Many are able to manage their home well however research has indicated that young tenants are on the whole far less likely to have developed the skills required to move in and successfully sustain a tenancy. Following the success of the Mere Gardens project earlier this year a mobile intensive management scheme is now being developed to support young people with tenancies throughout the borough.
- 2.2 As with the Mere Gardens scheme the charge has been set to recover the cost of the Housing Officer time and associated support costs . It is anticipated each Housing officer would cover a patch of approx 50 properties over a dispersed area. This is in contrast to the standard Housing officer patch of approximately 500 properties.

3. Proposed Tenancy Sustainment Initiative charges for 2006/07

- 3.1 It is proposed to establish a charge of £11.45 for 2005/2006 and to increase the service charge by £0.74 to £12.19 with effect from 3 April 2006.

4. Recommendations

- 4.4 That the Executive Member approves a charge of £11.45 for 2005/06 and a revised charge of £12.19 per week with effect from 3 April 2006.

Effect of the increased charges on 3 sample properties

1) 1 bed sheltered flat in Maxton House, Farnworth

	2005/06	2006/07
	£	£
Rent	42.87	45.27
Heating charge	See separate report	
Sheltered Housing charge	9.26	9.53
Careline Charge	2.94	3.03
	55.07	57.83
Increase (£)		£2.76
Increase (%)		5.0%

2) 1 bed sheltered flat at St Georges Court, Bolton

	2005/06	2006/07
	£	£
Rent	44.75	47.16
Heating charge	See separate report	
Careline charge	2.94	3.03
Sheltered Housing charge	9.26	9.53
Concierge charge	2.91	3.00
	59.86	62.72
Increase (£)		£2.86
Increase (%)		4.8%

3) 3 bed house on Beechfield Rd, Bolton

	2005/06	2006/07
	£	£
Rent	61.83	64.05
Garage rent	6.00	6.15
	67.83	70.20
Increase (£)		2.37
Increase (%)		3.5%

Assumptions used:

- 1) The rent increase will as detailed in the 2006/07 Rent Report
- 2) Heating, Garage, Sheltered, Careline and Concierge charge will increase as detailed in this report

No assumptions about housing benefit are made in the above figures. All of the above figures apart from the garage rent are eligible for housing benefit or supporting people funding. Approximately 60% of tenants are on full or partial housing benefit.