

**HOMES POLICY DEVELOPMENT GROUP
15 NOVEMBER 2022**

HOUSING REVENUE ACCOUNT (HRA) FEES AND CHARGES 2022/23

Cabinet Member(s): Cllr Stuart Penny, Cabinet Member for Housing

Responsible Officer: Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing

Reason for Report and Recommendation: To provide Members with the revised fees and charges for the discretionary functions provided under the HRA. The Council has not increased the fees and charges for these services for some years and they require updating.

Recommendations:

- 1. That Cabinet approve the revised discretionary fees and charges for 2022/23 as set out in Annexes 1, 2 and 3**
- 2. That Cabinet approve an annual Consumer Prices Index (CPI) inflation adjustment (within the range 2 – 10%) for discretionary fees and charges to be applied on the 1st April every year (in addition to the in-year recommendations set out in Annexes 1, 2 and 3)**

Financial Implications: Work undertaken by Mid Devon Housing (MDH) and other services on behalf of MDH is funded through the Housing Revenue Account (HRA). Fees and charges relating to discretionary, largely administrative activity have not been increased for some years due to other priorities and the relatively low level of income/cost associated. Nonetheless, these fees and charges no longer reflect the true cost of the administration associated with this work and require updating.

Budget and Policy Framework: The HRA is ring fenced and therefore, there is a need to maximise income for discretionary activity requested by owner occupiers and other residents on our estates, which is not directly related to our statutory housing management or building services functions, in order to avoid disadvantaging our tenants.

Legal Implications: There are no major legal implications and these fees relate to discretionary services or charges and do not relate to the tenant or leaseholder rents which are controlled by statutory and other provisions. Debt recovery associated with the costs arising from discretionary work is undertaken in line with the Court Debt Recovery Protocol.

Risk Assessment: A failure to update the relevant fees and charges could mean that tenants effectively have to subsidise services requested by home owners and other residents on our estates. Furthermore, failure to manage discretionary service requests in a timely manner could result in reputational risk for MDH.

Equality Impact Assessment: Having set fees and charges applicable to the service being provided ensures that MDH does not disadvantage any customer with protected characteristics, or who belong to any specific groups.

Relationship to Corporate Plan: This report relates to the homes and community elements for the Corporate Plan priorities.

Impact on Climate Change: None directly relevant to this report.

1.0 Introduction

- 1.1 MDH has a number of services for which fees are permitted to be charged in order to offset the costs involved. The Government requires that local authorities should raise revenue wherever possible to cover costs of discretionary services.
- 1.2 The majority of this work is attributed to requests made by home owners or private landlords and therefore MDH must ensure that the costs of administration are recovered and not subsidised by the HRA.
- 1.3 Each discretionary activity undertaken by MDH, where a fee or charge is applicable, has been reviewed. Where officer time is included within a fee or charge then it is done so purely on a cost-recovery basis. The previous fees are also set out in **Annex 1** and **2** alongside the suggested increases, for the purposes of comparison.
- 1.4 The fees and charges were last updated in 2015/16. It is therefore seven years since any existing fees and charges were reviewed. The inflation change and other service costs from 2015 up to 2022 have been modelled to ensure full recovery, which equates to a 23% increase in charges since 2015. Subject to the recommendations, it is proposed that the updated fees and charges, once agreed, come into effect from the date of the Cabinet decision (with allowance for call-in). These increases are shown in **Annex 1**.
- 1.5 In some cases, tenants are recharged for work. This may be work undertaken through the discretionary handyman service, or to make good tenant damage. Alternatively, it could be because the tenant had locked themselves out of their home and a lock change was required to enable them to get back in. More information is provided in **Annex 2**.
- 1.6 In most cases, rechargeable work is undertaken in line with the charges published by the National Housing Federation in their Schedule of Rates. There will be some instances, though, where the cost of the recharge is calculated manually to take account of the cost of materials. These material costs are subject to the vagaries of the market and the charges made in respect of these are levied simply to recoup costs.
- 1.7 MDH also makes some charges in respect of administration associated with billing for sewage charges and service charges. Those householders connected to septic tanks or sewage treatment plants owned by MDH are required to pay for this service and a minimum of £30.00 or a total of 15% of the bill (whichever is larger) is levied on top of the sum being invoiced. For service charges, leaseholders are expected to pay an additional 15% of the sum being charged in respect of administration.

- 1.8 MDH is proposing to re-commence the rental of the common room at Westfield Road to local community groups. These were halted during the pandemic and since then all relevant procedures have been updated, including risk assessments relating to health and safety. There are no plans to increase these charges at this time due to the need to kick-start and increase usage of the room and they will be reviewed again in 12-months. Officers have undertaken a further review of charges for hall hire locally and our current charges are competitive therefore over-inflating the cost of the room hire could be counter-productive and encourage potential hirers to look elsewhere. The charges are listed in **Annex 3**.
- 1.9 The revised fees and charges will be made published on the Council's website to ensure openness and transparency.

2.0 Changes to the fees and charges – discretionary fees

- 2.1 One recommended option has been provided for consideration by Members and can be seen in Annex 1. Alternative, lower charge options were initially considered (for example a 3% increase) but these failed to address the historic under charge and did not represent full recovery for what are wholly discretionary fees. The current fees and charges are shown for comparison purposes.
- 2.2 Officers have looked at the schedule of charges and feel that it is no longer appropriate to charge the level of fee set out in respect of Right-to-Buy plans. Since the original £50.00 fee was introduced you can now obtain copies of documents from the Land Registry online for the sum of £6.00 (typically subject to annual inflationary increases), consequently the current fee cannot be justified and may be why it has attracted limited uptake in recent years. Instead, we are recommending an £8.00 charge plus VAT should a customer wish to utilise MDH to obtain plans on their behalf, potentially as part of a wider transaction.
- 2.3 No increase is proposed to the fee for missed visits as a balance to continue to reduce the level of missed visits whilst maximising recovery rates where a charge is subsequently made. Wasted visits will continue to be calculated against the current, in-year hourly rate which is specific to the type of visit and the amount of time wasted.
- 2.4 Going forward, it is recommended that all discretionary fees and charges be adjusted by CPI inflation on the 1st April every year. It proposed that in order to ensure exceptional index rates are reviewed before the implementation of the annual increase then an adjustment will only be applied automatically where the index rate is between 2 – 10%. Any proposal to introduce an adjustment above or below this range will require a specific decision of Cabinet.

3.0 Recommendations

- 3.1 That Cabinet approve the revised discretionary fees and charges for 2022/23 as set out in Annexes 1, 2 and 3.

- 3.2 That Cabinet approve an annual CPI inflation adjustment (within the range 2 – 10%) for discretionary fees and charges to be applied on the 1st April every year (in addition to the in-year recommendations set out in Annexes 1, 2 and 3).

Contact for more Information: Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing snewcombe@middevon.gov.uk or Mrs Claire Fry, Operations Manager for Housing Management cfry@middevon.gov.uk

Circulation of the Report:

Cllr Stuart Penny, Cabinet Member for Housing
Members of the Homes PDG
Leadership Team
Corporate Management Team
Service/Operations Managers
Legal Services

Annex 1 – HRA General Discretionary Fees and Charges (12% Increase)

Service	2015				2022 (recommended)			
	Fee	Vat rate	VAT	Total (inc Vat)	Fee	Vat rate	VAT	Total (inc Vat)
Rent Reference	£ 50.00	20%	£ 10.00	£ 60.00	£ 61.67	20%	£ 12.33	£ 74.00
ATO visit	£ 50.00	20%	£ 10.00	£ 60.00	£ 61.67	20%	£ 12.33	£ 74.00
Copy of offer document	£ 20.00	20%	£ 4.00	£ 24.00	£ 22.50	20%	£ 4.50	£ 27.00
Copy of RTB plans following sale (coloured)	£ 50.00	20%	£ 10.00	£ 60.00	£ 8.00	20%	£ 1.60	£ 9.60

CPI increase from 2015 (using 2015 as baseline)

**Annex 2: HRA Charges Relating to Rechargeable Repairs
(no increase is proposed in relation to these charges at the present time)**

Service	Fee	VAT rate	VAT	Total (incl VAT)	Comments
Missed visit fee	£ 20.00	N/A	N/A	£ 20.00	
Wasted visit fee					<p>Cost of labour is recharged at an hourly rate, or equivalent emergency rate uplift. Wasted visits could include:</p> <ul style="list-style-type: none"> • Where tenants call to report something as an emergency that is clearly not an emergency • Where tenants report a repair which turns out to be a tenant responsibility • Where repairs are reported as 'fair wear and tear' but in fact have been caused by tenant action
Light Bulb/ Tube Changes					
Single fluorescent tube	£ 24.13	20%	£ 4.83	£ 28.96	
2d fluorescent tube	£		£	£	

	25.00	20%	5.00	30.00	
Standard light bulb charge	£ 20.42	20%	£ 4.08	£ 24.50	
Gas cooker connection (gas already at cooker point)	£ 75.00	20%	£ 15.00	£ 90.00	
Electric cooker connection (less than 8.5kw)	£ 48.00	20%	£ 9.60	£ 57.60	
WC seat	£ 29.84	20%	£ 5.97	£ 35.81	

Annex 3: HRA Charges for Use of Mid Devon Housing Common Room at Westfield Road

Hours	Charge from 2022 £
1 hour	10.00
1.5 hours	15.00
2.0 hours	20.00
2.5 hours	25.00
3.0 hours	30.00
3.5 hours	35.00
All Day	50.00

* If the booking event is attended by at least 50% Council tenants there will be no charge, an attendance sheet will need to be provided before or after the event.