

Report of the Chief Executive

GENERAL NEEDS SERVICE CHARGES CONSULTATION

1. Purpose of report

To seek approval from the Committee to consult with tenants on the implementation of a service charge for General Needs properties.

2. Background

Housing Committee has previously approved changes to service charges for Independent Living properties so that the Council is recouping more of the costs of maintaining our schemes. This proposal will align the approach for General Needs with that already implemented for Independent Living.

3. Detail

Currently General Needs tenants are not charged for services provided, such as grounds maintenance and communal lighting. These are paid from the Housing Revenue Account (HRA).

There are also services which are not currently provided, which many landlords would routinely provide. This includes block cleaning and window cleaning. Currently tenants are jointly responsible for cleaning communal areas on their schemes. This leads to variations on the standard of our blocks and an unfair expectation on our tenants.

All services that are proposed as part of the service charge will be eligible for Housing Benefit and the rent element of Universal Credit. This means that the tenants who claim benefit to pay their rent would also have this additional cost covered. It is not proposed that the Council seeks to recover all of this additional cost immediately, but rather that a similar approach is taken to the changes to the Independent Living service charge, which will gradually increase the amount payable over a number of years.

A further report will be presented to Housing Committee in November, once the consultation has been completed.

4. Financial Implications

The income to the HRA would be increased. Additional resource will be needed for all blocks to be maintained. Further information will be provided in future reports.

Recommendation

The Committee is asked to RESOLVE that consultation is completed with all general needs tenants in regards to introducing service charges from April 2022.

Background papers: Nil

APPENDIX

Consultation

Consultation is required under Section 105 of the 1985 Housing Act as the changes proposed relate to the management of properties by Broxtowe Borough Council. Secure tenants likely to be affected must be informed of proposals, and to be able to make their views known to us within a specified period, which is not defined under the Act.

Tenancy agreement

If committee approved the introduction of service charges for General Needs tenants, then no changes would be required to the Council’s tenancy agreement, which was last reviewed in 2018:

The tenancy agreement also sets out that these can be changed at any time:

<u>Rent payments</u>	
1.1 Your Rent is made up of Net Rent, Service Charge and Other Charges added together which at the Start Date are:	
Net Rent	£.....;
Benefit Eligible Service Charge	£.....;
Non-Benefit Eligible Service Charge	£.....;
	£.....;
Total Service Charge	
Other Charges	£.....
Total weekly Rent	£
<p>The Rent for the First Period will be a proportionate amount of the Rent and is due on the Start Date. Thereafter the Rent is due weekly in advance and is payable on a Monday and preferably by way of direct debit if this method of payment is available to you by us. If we let you pay at a different frequency (e.g. monthly in advance), you must pay on the agreed dates and in advance.</p> <p>Your Rent is payable for 48 weeks of the year and will be calculated so there are four Rent free weeks when you do not have to pay your Rent. This does not alter the amount you pay over one year. You are not expected to pay Rent during Rent free weeks unless you are in arrears of Rent or you are subject to an agreed payment plan or Court Order.</p> <p>A copy of our rent setting policy is available on request.</p> <p>Please note that the above amounts are subject to change in the way set out in this Tenancy.</p>	

Rent review

2.1 *Unless you agree a Rent increase with us the Rent may be increased or decreased by us at the **Rent Review**, after we have followed the procedure set out in sections 102 and 103 of the Housing Act 1985. This means that we will:*

(a) give you at least four weeks' written notice of a Rent Review; and

*(b) send you a notice of variation setting out the **Reviewed Rent** and stating the date on which the Reviewed Rent will take effect. The Reviewed Rent shall not take effect until at least four weeks after the notice of variation is sent.*

Other Service Charge/Other Charges Review

*The Service Charge and/or Other Charges may also be changed at any time if there is a **Service Charge Review** or an **Other Charges Review**.*

*We will give you at least four weeks' written notice of any Service Charge Review and/or Other Charges Review; and the amount of any **Reviewed Service Charge** and/or **Reviewed Other Charges** you have to pay will be set out in the notice and will become payable on the date set out in the notice.*

The tenancy agreement template includes space for the services to be listed. This would be completed at sign-up so that the new tenant is clear on the services that they are responsible for paying a service charge for. Only service charges that are eligible to be covered by Housing Benefit or the rent element of Universal Credit will be included.

Grounds Maintenance – currently provided

The Council already has detailed information regarding the grounds maintenance completed at our schemes. This includes grass cutting, weed control, shrub beds and hedge cutting. Meetings have been held between the Housing department and Environment department to ensure that charges can be correctly apportioned to each scheme. However, there are no proposed changes to the service currently provided.

Communal Lighting – currently provided

The Housing department currently receives energy bills for each of our schemes and blocks so is aware of the costs of communal lighting for each scheme. This cost is variable, as would be expected. It is not intended to change the amount charged each year, but instead place each scheme within a 'band' for the size of scheme and the amount of communal lighting and have a fixed charge per year for this.

Window Cleaning – not currently provided

This is not currently provided for General Needs schemes, but is provided at our Independent Living schemes. The current contract will be reviewed in line with the increased demand for this service.

Communal Cleaning – not currently provided

The Housing department employs a team of cleaners. Two new Mobile Cleaners, who have Council vans and travel between schemes to clean, were recruited in early 2021. Currently their work focuses on Independent Living schemes and void properties. The Housing department is currently reviewing the work of the Mobile Cleaners and the number of schemes they could clean each day. Additional resource will be needed for all blocks to be maintained.