

CYNGOR SIR POWYS COUNTY COUNCIL

County Council

11th July 2019

REPORT AUTHOR: County Councillor James Evans, Portfolio Holder for Corporate Governance, Housing and Public Protection

SUBJECT: Question from County Councillor Matthew Dorrance

Will the Cabinet Member make a statement on service charges paid to Powys County Council by Council tenants?

Response

The Housing Revenue Account (HRA) is made up of income from rents and other housing related funds, including service charges. This income is used to fund all HRA landlord related services. It also underpins our ability to deliver a balanced and sustainable HRA Business Plan to allow the Council to be an effective, developing landlord.

An important part of the Business Plan is the ability to recover from tenants and leaseholders service charges to cover the cost of services provided to them by the Council. These charges must reflect the actual cost of providing the service and should not be higher or lower than that actual cost. Service charges are amended each year, at the same time as rents are also reviewed and amended. This last happened in April 2019. The service charges for 2019-2020 are shown below. It should be noted that service charges vary from year to year, dependent on the costs to the service of providing those services in the previous full year.

	Highest Weekly Charge for 2019/20	Lowest Weekly Charge for 2019/20	How Charge Is Calculated
Grounds maintenance	£1.58	£0.04	Calculated on a site by site basis, based on actual meterage and the cost of the contract.
Communal cleaning	1.38	£1.38	Based on the global cost of the contract divided by all recipients of the service.
Communal lighting	£0.56	£0.56	Based on the cost of the service globally divided by all recipients.

Fire safety work	£1.74	£0.12	Based on actual costs per block and divided by all residents of the block.
TV aerials	£0.16	£0.16	Based on the costs associated with each aerial and divided by all potential recipients.
Repairs to entrance doors	£1.04	£0.01	Based on actual costs per block and divided by all residents of the block.
Communal washing lines	£0.44	£0.26	Based on actual costs per block and divided by all residents of the block.
Sewerage treatment	£6.33	£6.33	Based on the cost of the service globally divided by all recipients
Lift maintenance	£1.50	£0.75	Costs split equally between all tenants (for repairs/servicing)
Repairs to communal areas in flats	£2.45	£0.01	Costs per block divided between all residents of the block
Admin	£0.43	£0.43	Based on cost of the service globally divided by all recipients
Window Cleaning	£1.25	£1.25	Based on the estimated cost of providing the service, divided equally between all residents

For the majority of service charges, the calculation of the charge is based on the previous whole year – therefore for example the charge for door entry repairs for 2019-20 is based on the cost of providing the service in 2018-19.

Service charges for 2018-2019 as per Business Plan £200,156 (total)

Service charges 2019-2020 as per Business Plan £205,257 (total)