

Item No.	Classification Open	Date: 2 March 2015	Decision Taker Cabinet Member for Housing
Report title:		Housing and Community Services – Fees and Charges 2015/16	
Ward(s) or groups affected:		All	
From:			

RECOMMENDATION

1. That the Cabinet Member for Housing agrees to the proposed variation in charges for housing operations (Table 1), and specialist housing services (Table 2), to be implemented from 1 April 2015.

BACKGROUND INFORMATION

2. This report sets out proposals for fees and charges within the housing and community services department to be set for April 2015.
3. The Medium-Term Resources Strategy 2014/15 – 2016/17 requires that:
 - Southwark increase discretionary fees and charges to a level, at a minimum, that is equal to the most appropriate London average (e.g. inner London, family, groupings etc.) except where this conflicts with council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients; and
 - To increase all fees and charges capped by statute to the maximum level the cap allows. (*MTRS p.10*)
4. The council's constitution requires that all fees and charges increases are agreed by the relevant cabinet member through an IDM report. This report is also required where no changes are proposed.

KEY ISSUES FOR CONSIDERATION

5. Fees and charges are those charges where there is a schedule of rates for services provided. There are two types; mandatory and discretionary i.e. where the authority must charge or where there is a choice of charging. Whether mandatory or discretionary, the charges will be either:
 - Fixed – where the level of charges is set by statute and the authority has no discretion;
 - Capped – where a maximum level is set, generally by statute and so charges cannot be set in excess of this; or
 - Flexible – where there is full discretion on the level of charges to be set.

6. Where the authority has a choice about charging, any decision not to charge must be agreed by the relevant cabinet member. This is reviewed annually.
7. In arriving at the proposed fees, consideration has been given to benchmarking data, market forces, volume assumptions and the sensitivity of demand to any price increases as well as the impact that increases will have on customers' ability to pay and the take-up of services.
8. The tables below show the proposed charges for 2015/16. The fees have been divided into two areas:
 - Operations; and
 - Specialist housing services.

Operations division

Table 1 – Proposed Increase for Operations 2015/16 Fees and Charges

Item	2014/15 Fee	2015/16 Fee	Increase	HRA/GF	Criteria
Mortgage reference	£150.00	£170.00	13.33%	HRA	Discretionary
House file keys	£18.00	£20.00	11.11%	HRA	Discretionary
Assa keys	£18.00	£20.00	11.11%	HRA	Discretionary
Entry fobs	£17.00	£19.00	11.76%	HRA	Discretionary
Lock changes	£80.00	£90.00	12.50%	HRA	Discretionary
Visitor parking permits – ten visits	£16.00	£16.00	nil	HRA	Discretionary
Visitor parking permits – sixty visits	£80.00	£80.00	nil	HRA	Discretionary
Second bay parking	£80.00	£80.00	nil	HRA	Discretionary
Area-wide permit (contractors and employees)	£125.00	£125.00	nil	HRA	Discretionary
Southwark-wide permit (contractors and employees)	£125.00	£125.00	nil	HRA	Discretionary
Business permits	£125.00	£125.00	nil	HRA	Discretionary
Carers permits	£35.00	£35.00	nil	HRA	Discretionary
Removal of illegally parked vehicle	£200.00	£200.00	nil	HRA	Discretionary
Daily storage charge – removed vehicle	£40.00	£40.00	nil	HRA	Discretionary
Travellers sites – single pitch	£83.02	£84.35	1.60%	GF	Mandatory
Travellers sites – double pitch	£112.67	£114.47	1.60%	GF	Mandatory

9. Non-traveller's sites – these fees and charges have been increased with a view to limiting the impact upon tenants. However since the charges apply to a relatively small proportion of residents this has to be balanced with the need to ensure cost recovery wherever possible. The lower level charges have been increased by £2.00 each, and others in proportion to this. Fee increases are proportionately similar to those for 2014/15.
10. Following the introduction of the estate parking Traffic Management Order in 2013/14, the council committed not to increase any estate parking permit prices for a minimum of two years. This was reflected in the Individual Member Decision taken by the Deputy Leader and Cabinet Member for Housing Management on 31 January 2014. 2015/16 will be the second year of this freeze and this is reflected in Table 1.

11. Removal of illegally parked vehicles and the daily storage charge thereof is a contracted-out service managed by the Environment and Leisure Department. The fees associated with this service have moved to a statutory basis and are now set by London Councils on behalf of all 33 London boroughs. Southwark is not aware of any proposal to vary these charges at the present time, and this is reflected within Table 1. However, it should be noted that London Councils reserves the right to propose, consult upon and implement variations to these charges.
12. Travellers' sites – these charges have increased in accordance with recent changes in legislation and reflect the latest RPI position of 1.6% (December 2014). This index is in accordance with that employed in previous years.

Specialist Housing Services division

Table 2 – Proposed Increase for Specialist Housing Services 2015/16 Fees and Charges

Item	2014/15 Fee	2015/16 Fee	Increase	HRA/ GF	Criteria
Discretionary service charge loan application	£550.00	£550.00	nil	HRA	Discretionary
Mandatory service charge loan application	£100.00	£100.00	nil	HRA	Mandatory
Voluntary charge application fee	£550.00	£550.00	nil	HRA	Discretionary
Notices of assignment and notices of charge	£10.00/ £30.00	£10.00/ £30.00	nil	HRA	Discretionary
Pre-assignment pack	£180.00	£189.00	5.00%	HRA	Discretionary
Pre-assignment pack – expedited 48 hours	£248.00	£260.00	4.84%	HRA	Discretionary
Postponement of charge for home improvement	£129.00	£135.00	4.65%	HRA	Discretionary
Postponement of charge for all other reasons	£180.00	£189.00	5.00%	HRA	Discretionary
Remortgage	£87.00	£91.00	4.60%	HRA	Discretionary
Retrospective letter of postponement	£263.00	£276.00	4.94%	HRA	Discretionary
Gas servicing administration fee	£30.20	£32.00	5.96%	HRA	Discretionary
Expedition fee for remortgage	£67.00	£70.00	4.48%	HRA	Discretionary
Expedition fee for pre-assignment	£67.00	£70.00	4.48%	HRA	Discretionary
Document Copies					
Reproduction copy of lease/leasehold transfer	£39.00	£39.00	nil	HRA	Discretionary
Certified copy of lease/leasehold transfer	£59.00	£62.00	5.10%	HRA	Discretionary
Reproduction copy of section 125 notice	£25.00	£26.00	4.00%	HRA	Discretionary
Duplicate right-to-buy documentation	£54.00	£57.00	5.56%	HRA	Discretionary
Additional completion statement fee	£67.00	£70.00	4.48%	HRA	Discretionary
Further engrossment of the counterpart lease	£26.00	£27.00	3.85%	HRA	Discretionary
Reproduction copy of specification	£25.00	£25.00	nil	HRA	Discretionary
Reproduction copy of licence for alterations and/or landlord's consent to make alterations	£25.00	£25.00	nil	HRA	Discretionary
Copies of any other relevant documentation	£0.10	£0.10	nil	HRA	Discretionary
Other Administration					
Deed of covenant	£134.00	£140.00	4.48%	HRA	Discretionary
Rent references	£41.00	£43.00	4.90%	HRA	Discretionary
Section 146 notice fee	£258.00	£270.00	4.65%	HRA	Discretionary
Disposals					
Ad-hoc or voluntary disposals of property or land	£237.00	£249.00	5.06%	HRA	Discretionary
Purchase of properties freehold on short leases	£235.00	£247.00	5.10%	HRA	Discretionary

Lease extensions	£235.00	£247.00	5.10%	HRA	Discretionary
------------------	---------	---------	-------	-----	---------------

Table 2 (continued)

Item	2014/15 Fee	2015/16 Fee	Increase	HRA/ GF	Criteria
Enfranchisement:					
Collective Enfranchisement – standard charge	£235.00	£247.00	5.06%	HRA	Discretionary
Lease-back of tenanted properties	£563.00	£591.00	4.97%	HRA	Discretionary
Individual enfranchisement	£235.00	£247.00	5.10%	HRA	Discretionary
Sale of freehold reversionary interest	£235.00	£247.00	5.10%	HRA	Discretionary
Landlords Consent for Alterations Permissions:					
Like-for-like replacements of kitchens/bathrooms	£34.00	£36.00	5.88%	HRA	Discretionary
Change of boilers/radiators	£67.00	£70.00	4.48%	HRA	Discretionary
Minor structural alterations	£83.00	£87.00	4.82%	HRA	Discretionary
Structural alterations	£235.00	£247.00	5.11%	HRA	Discretionary
Retrospective permission for any alteration type	£358.00	£376.00	5.03%	HRA	Discretionary
Legal Discharge of Charge:					
RTB natural	£50.00	£50.00	nil	HRA	Discretionary
RTB premature; voluntary SCL, discretionary SCL	£100.00	£100.00	nil	HRA	Discretionary
Right of first refusal – pre-emption requests	£91.00	£95.00	4.40%	HRA	Discretionary
Equity Share:					
Administration fee	£100.00	£100.00	nil	HRA	Discretionary
Valuation fee	£155.00	£155.00	nil	HRA	Discretionary
Equity Loan:					
Administration fee	£100.00	£100.00	nil	HRA	Discretionary
Valuation fee	£155.00	£155.00	nil	HRA	Discretionary
Exit fee	£100.00	£100.00	nil	HRA	Discretionary
Barrow Store – Annual Rents:					
Bournemouth Road	£725.00	£740.95	2.20%	HRA	Discretionary
Southwark Park Road (small)	£287.00	£293.30	2.20%	HRA	Discretionary
Southwark Park Road (large)	£725.00	£740.95	2.20%	HRA	Discretionary
Portland Street	£1,155.00	£1,180.40	2.20%	HRA	Discretionary
Kingston Mews (small)	£578.00	£590.72	2.20%	HRA	Discretionary
Kingston Mews (large)	£1,155.00	£1,180.40	2.20%	HRA	Discretionary
Northchurch	£1,044.00	£1,066.97	2.20%	HRA	Discretionary
Garages Weekly Rent (reference only):					
Concessionary (Blue Badge & Elderly)	£13.62	£13.62	nil	HRA	Discretionary
Standard	£18.62	£18.62	nil	HRA	Discretionary
Private	£27.50	£27.50	nil	HRA	Discretionary
Bed and Breakfast:					
Weekly rate	£190.38	£190.38	nil	GF	Mandatory
Daily rate	£27.20	£27.20	nil	GF	Mandatory
Private Sector Leasing/Self-Contained:					
One bedroom	£211.34	£211.34	nil	GF	Mandatory
Two bedrooms	£268.47	£268.47	nil	GF	Mandatory
Three bedrooms	£310.00	£310.00	nil	GF	Mandatory
Four bedrooms	£413.84	£413.84	nil	GF	Mandatory
Five bedrooms	£500.00	£500.00	nil	GF	Mandatory
Hostels:					
Weekly hostel laundry charge	£2.93	£2.93	nil	HRA	Discretionary
Sheltered hostels part-board charge	£18.44	£18.44	nil	HRA	Discretionary

13. For 2015/16 consideration has been given to a number of factors including volume assumptions, London Councils benchmarking data (which empirically shows our fees to be in line with other local authorities and therefore reasonable), market forces and the sensitivity of demand to any price increases. The proposed fee increase is in the region of 5.00%, as above, which is then rounded where appropriate. The discretionary and mandatory service charge loan application fees have been held at last years level. This is because a further increase at this time could lead to adverse revenue implications or may impact unfavourably on vulnerable clients.
14. No changes are proposed to be made to temporary accommodation local housing allowance (LHA) rates. This means that these rates will once more be based on the January 2011 circular relating to properties that are used to house housing benefit claimants. This was confirmed by '**Temporary Accommodation in Housing Benefit and Universal Credit**' (HB A9/2014) issued by the Department for Work and Pensions on 31 March 2014.
15. Circular HB A9/2014 advises that the above rules apply until a claimant migrates to Universal Credit. However, should a claimant residing in a pilot area who is currently in receipt of Universal Credit move to accommodation within Southwark, they will continue to receive Universal Credit which will include a rental element for temporary accommodation. Cases will transfer into Universal Credit in line with the relevant migration strategy; however the current situation is that no temporary accommodation claimants are affected by these rules as they have not as yet migrated.
16. Certain charges have had no increase because they are either set by statute, or by outside bodies. These include:
 - Loan application fee;
 - Notices of assignment and charge;
 - Reproduction and copying charges;
 - Equity share/equity loan administration valuation and exit fee; and
 - Legal discharge of charges.
17. Under relevant contracts, additional legal and floor plan drafting fees may be payable to the council's external service providers and recharged to applicants or payable directly and are subject to annual RPI-related increase. The increases do not come into effect until a time after this report has been circulated and agreed. In addition, both contracts are currently subject to gateway reports for contract re-procurement, so future costs cannot be specified at this time.
18. Garage rents were held static in 2014/15, and pending further benchmarking and associated reviews for 2016/17 charge-setting purposes cabinet decided to continue with these rents for 2015/16 as part of the Final HRA Budget and Rent-Setting Report considered on 27 January 2015. Barrow store rents have been increased by 2.2% in line with the inflation-based increase in dwelling rents and associated charges.

19. The council has statutory powers and duties to provide temporary accommodation to homeless applicants under Part VII of the 1996 Housing Act. Southwark Council uses a variety of accommodation to discharge these duties, including bed and breakfast, hostels, estate voids and private sector leased properties.
20. This report addresses the charges made for temporary accommodation to homeless households which fall within the general fund, i.e. private sector leasing and bed and breakfast accommodation. This report does not address the issue of annual increases for temporary accommodation which is funded through the Housing Revenue Account (HRA) for general and special needs hostels and estate voids. These increases were agreed by cabinet on 27 January 2015, as part of the HRA Final Budget and Rent-Setting Report.
21. The council will once again set occupancy charges for bed and breakfast for tenants in non self-contained accommodation at £190.38 per week. This is based on the LHA for London and guidelines are taken from the housing benefit and council tax circular number HB/CTB S1/2011. The information within this circular had an original expiry date of March 2013, but on 31 March 2014 this was extended by circular HB A9/2014.
22. The cost of providing heating, lighting and water in accommodation termed 'bed and breakfast' is met by the hotelier who passes this on in the amount charged to the council to acquire the accommodation. A weekly charge for heating/lighting and water is then made to each household placed in that accommodation. These charges are not eligible for Housing Benefit. It is anticipated that there will not be any increase in the amount paid to hoteliers to acquire accommodation in 2015/16 and these elements will therefore remain unchanged. Breakfast will no longer be supplied and charges will cease from 2015/16.
23. For self-contained units and private sector leasing, charges are also based on these guidelines, albeit at higher rates. The guidance outlines rates for one – five bedroom properties and the maximum allowed under the Housing Benefit subsidy rules.
24. The rate for self-contained accommodation is calculated on the size of the unit at 90% of the published local authority housing allowance rate, plus £40 for management costs as outlined in the housing benefit circular.
25. It is proposed therefore, that the occupation charge to residents in bed and breakfast and private sector leasing remains as per Table 2 above for the next financial year.

Community impact statement

26. The council works in accordance with the single public sector equality duty contained within section 149 of the Equality Act 2010. This means the council must have due regard to the need to: eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity between different groups; and foster good relations between different groups. Guidance on the implications of the Equality Act and the duties it imposes on the council has been issued to service departments and members.

27. In September 2010, cabinet agreed seven principles that will guide its decision-making on the budget. Council assembly added to this in July 2011 by agreeing the policy statement 'A Fairer Future for All'.
28. Consideration has been given to the reports relevance to equality issues in accordance with the public sector equality duty. This report is primarily to set fees and charges, which do not have a differential effect on any community or protected group. It is recognised however that increases in fees and charges may present particular difficulties for people on low incomes.
29. However, ameliorating the effect of this, temporary accommodation rents remain eligible for housing benefit. Certain charges, such as carers parking permits have not been subject to a rise and all other charges are either regulated by statute or compare with the relevant London average.

Consultation/Notification of Fee Increases

30. Consultation is not required on the above fees and charges. However, formal notification of price increase is in certain circumstances. Once approved, notification of fee increases will be published through the appropriate channels.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

31. This report recommends that the Cabinet Member for Housing approve proposals relating to fees and charges for the provision of a variety of services administered by the Housing and Community Services Department to take effect from 1 April 2015. The report sets out where changes are or are not proposed to existing fees and charges and the reasons for the proposals. The report indicates out broadly where the level of charge that may be made is set by statute.
32. Under Part 3D of the council's constitution, agreement of changes to existing fees and charges is reserved to individual cabinet members for decision-making where the fees and charges are within their area of responsibility; housing management and community housing services is within the portfolio of the cabinet member for housing.
33. The level of discretion that may be exercised by the council in setting charges will depend on relevant legislative provisions; such provisions may fix the amount that may be charged or allow discretion subject to legislative requirements and public law requirements of rationality, reasonableness and fairness.

Discretionary charges where no specific provision by statute

34. The council's powers to provide services not specifically provided for by statute are contained in a number of provisions including; section 21 of the Housing Act 1985 which provides the council with a general power to manage its housing stock; section 1 of the Local Government Act 2011 which applies a general power of competence that gives the council the power to do anything that individuals generally may do, and section 111(1) of the Local Government Act

1972 which gives local authorities power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

35. As to charging for services, section 93(1) of the Local Government Act 2003 ("the 2003 Act") enables the council to charge a person for providing a discretionary service to him if he has agreed to its provision. This power is subject to the proviso that the authority is not authorised to, or expressly prohibited from, charging for the service elsewhere in legislation.
36. The power to charge under the 2003 Act is also subject to a duty to secure that, taking one financial year with another, the income from charges made for the service does not exceed the costs of provision. This duty must be applied separately in relation to each kind of service.

Fees and Charges relating to Travellers' Sites

37. Section 318 of the Housing and Regeneration Act 2008 that came into force on 30 April 2011 extended the security of tenure and other rights and responsibilities under the Mobile Homes Act 1983 ('the Act') to gypsies and travellers on local authority sites including provisions relating to pitch fees.
38. The Act provides that certain terms shall be implied into the local authority's agreements with the occupants of the sites. These include provisions as to how and when pitch fees can be changed, and the various matters that may be taken into account when determining the amount of the new pitch fee. These include a presumption that the pitch fee will increase or decrease by no more than the retail prices index since the last review date. The report confirms that the proposed increase of 1.6% is the amount of the latest published RPI, which accords with this implied term.

Fees and Charges relating to Temporary Accommodation

39. As indicated in the report the council has powers and duties to provide temporary accommodation to homeless applicants under Part VII of the Housing Act 1996. Under section 206 of the Housing Act 1996, as amended, the council has power to require a person to whom they are discharging their housing functions under Part VII of the Act (Homelessness), to pay such reasonable charges as the council may determine in respect of the accommodation.
40. Under Section 25 of the Housing Act 1985 and the terms of the council's standard non-secure tenancy agreement with occupants of private sector leasing properties, the council may vary the charges made but would need to give occupants four weeks written notification of any changes to the charges.
41. The Director of Legal Services is not aware of any legal impediment to the recommendations in this report.

Strategic Director of Finance and Corporate Services

42. This report seeks authority for approving the fees to be charged by the housing and community services department for 2015/16. It is mostly concerned with fees and charges where the council has discretion over the level to be charged.
43. The Medium-Term Resources Strategy requires that fees and charges are set to a level equal to the most appropriate London average except where this conflicts

with council policy would lead to adverse revenue implications or would impact adversely on vulnerable clients.

44. The fees and charges that form this report are a combination of sources of income for either the council's HRA or general fund. Significant HRA income streams such as dwelling rents, non-dwelling rents, district heating charges and fixed service charges for tenants are set via the cabinet report on HRA Rent-Setting and Budget in January each year.
45. Leaseholder service charges are variable and therefore dependent on actual expenditure incurred. Leaseholder major works income is also dependent on chargeable works done and billed according to individual liability. Neither income stream falls within the compass of this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
HRA Final Rent-Setting and Budget 2015/16 (item 13, cabinet agenda 27 January 2015) http://moderngov.southwark.gov.uk/documents/s51225/Report%20HRA%20Budget%202015-16.pdf	160 Tooley Street London SE1 2QH	Paula Thornton Constitutional Team 020 7525 4395
Housing and Community Services – Fees and Charges 2014/15 (IDM 31 January 2014) http://moderngov.southwark.gov.uk/documents/s43169/Report.pdf	As above	As above
Medium-Term Resources Strategy 2014/15 – 2016/17 http://www.southwark.gov.uk/downloads/download/278/medium_term_resources_strategy	As above	As above

AUDIT TRAIL

Lead Officers	Gerri Scott, Strategic Director of Housing and Community Services	
Report Author	Shaun Regan, Senior Finance Manager	
Version	Final	
Dated	2 March 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes

Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	2 March 2015	