

STROUD DISTRICT COUNCIL

HOUSING COMMITTEE

TUESDAY, 6 FEBRUARY 2024

Report Title	District Heating and Independent Living Charges 2024/25			
Purpose of Report	Propose amendments to the fees and charges set out in the December 2023 budget setting papers.			
Decision(s)	The Committee RECOMMENDS to COUNCIL that the HRA charges from 1 April 2024 for District Heating and Independent Living Service Charges for the relevant Independent Living schemes are amended as set out in this report.			
Consultation and Feedback	None.			
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Options	Members could choose not to propose the amended fees and charges			
Background Papers	None.			
Appendices	Appendix A – HRA Fees and Charges (where amended)			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	No	No	No	No

1. Background

- 1.1 The Housing Revenue Account has five Independent Living Schemes with district heating systems, with a communal boiler that provides heating and hot water to both the tenants homes and the communal areas of the scheme.
- 1.2 The large increase in gas prices in recent years has significantly increased the cost of providing this service and this cost is now largely passed on to tenants through service charges – in line with all other tenants who must pay for the heating and hot water in their properties.
- 1.3 The individual charges are calculated by splitting the estimated cost of the gas by floor area of each home, after an amount is taken out for the communal area/kitchen of the scheme. The charge for the heating and hot water in the communal area is included with the Independent Living Service Charge, whereas the charge for each tenant's home is charged through a District Heating service charge.

2. Main Points

- 2.1 The current charges are based on an assumption that gas usage will reduce from previous years. This included an assumption that communal heating, other than in the main communal room and kitchen, would be minimised and the charges were calculated on this basis.

- 2.2 However, in practice tenants are choosing to keep the heating on in other areas for example corridors. In light of this it would be appropriate to redistribute the cost of the gas to include the other communal areas. This would not increase the overall charge to tenants - it is a redistribution between the District Heating Service Charge and the Independent Living Service Charge. The importance of ensuring the split between the charges is correct is because the Independent Living Service Charge is eligible for Universal Credit and Housing Benefit, as it relates to communal areas that form part of the tenancy, whereas the District heating Service Charge relates to the individual home and utilities bills are not eligible for the housing element of benefits.
- 2.3 The below table sets out the changes to the service charges that would be necessary to reflect this change.

Table 1 - Redistribution of gas charges from district heating to communal areas

	£
Dryleaze House	- 2.40
Grange View	- 1.48
Hazelwood	- 3.12
St Nicholas Court	- 1.73
Walter Preston Court	- 1.41

3. Proposed Changes

- 3.1 It is proposed that the amounts in Table 1 are moved from the District heating charges from 1 April 2024 and included in the Independent Living Service Charges.
- 3.2 Members may remember that the Independent Living Service Charges from 1 April 2024 were capped at an increase of 10% from the 2023/24 charges. Hazelwood and St Nicholas Court were schemes that reached this cap, but it is proposed that these charges be added on top of the 10% cap since these do not represent an overall increase in charges, but a movement between charges.
- 3.3 Dryleaze House did not reach this cap before the addition of the communal areas heating, but does afterwards. It is proposed that the Independent Living Service Charges for Dryleaze House are capped at 10% following the increase to the heating charges as there are tenants that have access to the communal areas in Dryleaze House, and so pay the service charge, that are not on the district heating system. This means that for these tenants this increase does represent a real increase in the charges.
- 3.4 The below table shows the average charges for each scheme, with a comparison to those recommended by Housing Committee in December.

Table 2 – Proposed weekly charges from 1 April 2024

	2024/25 - Housing Committee Dec23			2024/25 – Revised		
	District Heating (ave) £	Indep. Living £	Total £	District Heating (ave) £	Indep. Living £	Total £
Dryleaze House (with district heating)	16.81	27.74	44.55	14.41	28.37	42.78
Dryleaze House (without district heating)	-	27.74	27.74	-	28.37	28.37
Grange View	12.91	31.99	44.90	11.43	33.47	44.90
Hazelwood	20.88	38.17	59.05	17.76	41.29	59.05
St Nicholas Court	16.24	30.70	46.94	14.51	32.43	46.94
Walter Preston Court	14.87	33.86	48.73	13.46	35.27	48.73

3.5 The cost and usage of gas will continue to be monitored as has been previously committed.

4. Implications

4.1 Financial Implications

There are no significant financial implications from this movement between two service charges. There is a small loss of income from capping the Dryleaze House Independent Living Service Charge, but this is expected to be small (in the region of £2k) and there is no proposed change to the overall budget.

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4.2 Legal Implications

There are no significant implications within this category.

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4.3 Equality Implications

There are not any specific changes to service delivery proposed within this decision.

4.4 Environmental Implications

There are no significant implications within this category.