

Report to: Executive Board - 27<sup>th</sup> Sep 02  
Housing Scrutiny - 19<sup>th</sup> Sep 02

**REPORT ON A REVIEW INTO SERVICE CHARGES**

<p><b>Report of:</b> Strategic Director for Housing Health &amp; Community - Neil Gibson</p>	<p><b>WARDS AFFECTED</b></p> <p><b>ALL</b></p>
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<p><b>Lead Member Responsible:</b> Cllr Val Smith</p>	
<p><b>Overview and Scrutiny Committee Responsibility:</b> Housing</p>	
<p><b>Key Decision</b> No</p>	

**SUMMARY AND RECOMMENDATIONS**

This report recommends that a review of Service Charges is undertaken in order to:

- decide what services it is appropriate to charge for
- establish the links to "supporting people"
- establish what services are applicable for HB
- set a service level standard
- examine and define the resources and infrastructure which are needed to implement the required changes

It is recommended the review begins in Oct 02. Target date for implementation would be Oct 03.

In order to ensure the review can be properly resourced, it is recommended £20k be used from HRA reserves to fund additional staff time and consultation costs.

## 1. Introduction

- 1.1 On 22<sup>nd</sup> Jul 02, Executive Board received a report which summarised the latest Consultation paper from the Office of the Deputy Prime Minister (ODPM) on rent restructuring and service charging. . Executive Board noted the report.
- 1.2 The formal results from the ODPM Consultation paper are not due to be available until later this year. Informally we are aware that some “rent-pooled” authorities have asked that the ODPM be more specific about what does or doesn’t constitute a service charge in order to minimise ambiguity.
- 1.3 During consultation on the HRA Business Plan with Members and Tenant Representatives, it became clear that it was essential to begin a review on Service Charges as soon as possible. This would be to ensure full consultation was undertaken and implementation was as early as it could be to benefit from the changes in the Rent Rebate Subsidy limitation formula (which rewards authorities by reducing the amount of Rent Rebate Subsidy lost if a move towards service charging has been made).

## 2. The Scope of the Review

- 2.1 Officers met at the end of Aug to discuss when a review should begin, who should be involved and what areas needed to be covered. It was concluded that work should begin in Oct 02. The project would be championed by a Business Manager with a project team made up of Officers from OBS, Housing Management, Financial Management, Strategic Policy & Research, Housing Systems and Neighbourhood Renewal. A minimum of two Members should also be involved and be invited to contribute to project meetings as appropriate. A Tenant/Leaseholder working Group would also be set up, with nominees being invited from each of the Forums/OFTA & the newly formed Leasehold Association.
- 2.2 A draft list of key events was drawn up and this is summarised as follows:
- **Form Project Team/s:** appoint, agree project plan, plan consultation period/s - Sep/Oct
  - **Gather Information:** prepare details of current & aspired services and costs - Oct/Nov
  - **Consult:** what do tenants & leaseholders want ? - Nov-Feb 03
  - **Report:** prepare & report recommendations to Exec Board & Full Council - Mar 03
  - **Implement:** advise all users of new charge/s, amend system infrastructure, bill - Apr-Oct 03
- 2.3 Officers consider there are links between Service charges and Supporting People charges, rather than having two separate groups working on these issues it is proposed to combine the projects.
- 2.4 This project will involve working closely with the Revenues and Benefits Business Unit to establish what charges can be met through Housing Benefit.

### **3. Financial Impact**

- 3.1 In order to run and staff this review is it anticipated that £20k will be required to release staff from their current role/s and fund the costs of consulting with all our tenants and leaseholders.
- 3.2 Where it is possible the impact of the introduction of service charging will be fed into the budget setting process for 03/04.
- 3.3 Implementation cannot be considered any earlier than Oct 03. This is to allow full consultation with tenants and put in place arrangements for implementation.

THIS REPORT HAS BEEN SEEN AND APPROVED BY: The Strategic Director for Housing Health & Community, Business Manager for Financial Management and the Portfolio Holder

Background Papers: Executive Board 22<sup>nd</sup> Jul 02