

## **FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

**DATE:**               **TUESDAY, 17 JUNE 2014**

**REPORT BY:**       **CHIEF OFFICER, COMMUNITY AND ENTERPRISE**

**SUBJECT:**           **COMMUNAL HEATING CHARGES**

### **1.00 PURPOSE OF REPORT**

**1.01** To outline and seek agreement of Cabinet for the proposed heating charges to the communal HRA properties in 2014/15.

### **2.00 BACKGROUND**

**2.01** Community Services currently operate a number of communal heating schemes. The cost of fuel used within these schemes is paid for by the Authority and collected from tenants in addition to their weekly rent. The charges and income received are paid into a holding account, and it is anticipated this account should be in a break even position at each financial year end.

**2.02** New communal heating charges for the year are implemented in July to enable an accurate picture to be gathered on the previous year's costs and any corresponding surplus or deficit on the heating account. Communal heating does not have to be increased at the same time as the rent from a legal perspective and nor is a 4 week notice period required.

**2.03** Any proposed changes to current charges are intended to ensure that each communal heating scheme recovers the full energy cost charged in respect of individual schemes and aims to keep a nil balance on the heating reserve account.

### **3.00 CONSIDERATIONS**

**3.01** The method of applying tenants heating charges is to apply heating increases to tenant's each year based on previous years usage plus energy rate increases/decreases regardless of whether there is a surplus or deficit on the heating account.

**3.02** In the event that there is an under recovery of costs from the previous year then Cabinet will be asked to consider:-

- Whether the tenants should incur in year additional charges

to recover these costs.

- Whether the costs should be met through the HRA.

In the event that that there is an over recovery of costs in any year, these charges will be reimbursed to tenants by way of a heating credit on their rent account.

The heating account position at the end of 2013/14 shows full cost recovery of the heating bills and therefore no cost recovery or reimbursement to tenants required.

- 3.03** Cabinet agreed following the communal heating report on the 21<sup>st</sup> May 2013 to spread the 2013/14 heating increase over 2 years. Tenants paid 75% of the recommended increase from October 2013 and the remaining 25% to be applied in July 2014 in addition to any inflationary increase to bring charges up to the recommended level.

The phasing of these charges over 2 years meant that tenants will incur an additional charge of £0.68 (on average), on top of the standard inflationary increase in 2014/15.

- 3.04** The heating rates provided by the energy team for 2014/15 show that we will incur no inflationary increases to the current charges therefore it is proposed to only implement the agreed phased increase to tenants in July 2014.

- 3.05** The table below sets out recommended heating charge increases for 2014/15, based on actual costs to the Council in 2013/14 and heating estimates for 2014/15

Communal Area	Avg. Weekly Charge 2013/14	Phased increase agreed 2013/14	Revised Avg. Weekly Charge 2013/14	Inflation for 2014/15	Estimated weekly charge to fully cover heating costs 2014/15
Bolingbroke Heights, Flint	£ 8.61	£ 0.57	£ 9.18	0.0%	£ 9.18
Richard Heights	£ 8.61	£ 0.57	£ 9.18	0.0%	£ 9.18
Castle Heights, Flint	£ 10.43	£ 0.57	£ 10.99	0.0%	£ 10.99
Llwyn Beuno, Holywell	£ 10.27	£ 0.77	£ 11.05	0.0%	£ 11.05
Llwyn Aled, Holywell	£ 11.26	£ 0.96	£ 12.22	0.0%	£ 12.22
Panton Place, Holywell	£ 9.72	£ 1.06	£ 10.77	0.0%	£ 10.77
Acacia Close, Mold	£ 12.34	£ 0.41	£ 12.75	0.0%	£ 12.75
Glan-y-Morfa Court, Connah's Quay	£ 8.08	£ 0.68	£ 8.77	0.0%	£ 8.77
Chapel Court, Connah's Quay	£ 9.11	£ 0.88	£ 9.99	0.0%	£ 9.99

**4.00 RECOMMENDATIONS**

**4.01** Cabinet is asked to consider and agree the following:-

- No inflationary heating increases for 2014/15.
- The phased increase to tenants from July 2014.

**5.00 FINANCIAL IMPLICATIONS**

**5.01** As detailed above

**6.00 ANTI POVERTY IMPACT**

**6.01** Not Applicable

**7.00 ENVIRONMENTAL IMPACT**

**7.01** Not Applicable

**8.00 EQUALITIES IMPACT**

**8.01** Not Applicable

**9.00 PERSONNEL IMPLICATIONS**

**9.01** None

**10.00 CONSULTATION REQUIRED**

**10.01** None

**11.00 CONSULTATION UNDERTAKEN**

**11.01** Cabinet Member reviewing proposals

**12.00 APPENDICES**

**12.01** None

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

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