

## **FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

**DATE:**               **TUESDAY, 2<sup>ND</sup> JUNE 2015**

**REPORT BY:**       **CHIEF OFFICER (COMMUNITY AND ENTERPRISE)**

**SUBJECT:**           **COMMUNAL HEATING CHARGES 2015/16**

### **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 2015/16.

### **2.00      BACKGROUND**

2.01      Community & Enterprise Portfolio currently operates 9 communal heating schemes within Flintshire. The Council negotiates fuel costs 12 months in advance and tenants benefit from the Council's Industrial and Commercial Contract rate. The cost of fuel used within these schemes is paid for initially 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.

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 Council charges tenants for the gas consumed within the block. This is a basic flat rate charge irrespective of individual usage. The method of applying tenants heating charges is to apply heating charges for the forthcoming year based on previous years usage calculated with the current energy rates.

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.

### 3.03 **2014/15 charge debits/credits**

In the event that there is an over recovery of costs in any year, these charges will be reimbursed to tenants.

The heating account position at the end of 2014/15 shows an over recovery on Bollingbroke and Richard Heights communal heating scheme. Each tenant within these schemes will receive a refund of £55.97. The Council will apply this as a rent credit if the tenant is in rent arrears or a cheque refund if the rent account is up to date.

### 3.04 **2015/16 proposed charges**

The Council has been able to purchase gas, this year, at a reduced price to 2014/15. As the gas price has fallen Members are asked to agree a decrease in the weekly heating charge across all 9 of the communal heating schemes.

3.05 The table below sets out recommended heating charge decreases for 2015/16, based on actual costs to the Council in 2014/15 and heating estimates for 2015/16.

Communal Area	Avg. Weekly Charge 2014/15	Reduction for 2015/16	Revised Avg. Weekly Charge 2015/16	Inflation for 2015/16
Bollingbroke Heights, Flint	£ 9.18	(£3.06)	£ 6.12	0.0%
Richard Heights	£ 9.18	(£3.06)	£ 6.12	0.0%
Castle Heights, Flint	£ 10.99	(£1.93)	£ 9.07	0.0%
Llwyn Beuno, Holywell	£ 11.05	(£2.79)	£ 8.26	0.0%
Llwyn Aled, Holywell	£ 12.22	(£0.61)	£ 11.61	0.0%
Panton Place, Holywell	£ 10.77	(£3.57)	£ 7.20	0.0%
Acacia Close, Mold	£ 12.75	(£0.10)	£ 12.65	0.0%
Glan-y-Morfa Court, Connahs Quay	£ 8.77	(£0.71)	£ 8.06	0.0%
Chapel Court, Connah's Quay	£ 9.99	(£2.32)	£ 7.67	0.0%

## 4.00 **RECOMMENDATIONS**

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

- 4.02
- To apply any refunds as a rent credit if the tenant is in rent

- arrears or a cheque refund if the rent account is up to date.
- A decrease in the weekly heating charges as shown in the table above.

**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 Tenants cannot claim Housing Benefit for the cost of domestic heating. Any reduction in the charge will therefore have a positive effect on tenant's disposable incomes.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None.

**10.00 CONSULTATION REQUIRED**

10.01 None.

**11.00 CONSULTATION UNDERTAKEN**

11.01 The Cabinet Member for Housing supports the proposals.

**12.00 APPENDICES**

12.00 None.

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

None.

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