



## CAERPHILLY HOMES TASK GROUP – 4TH APRIL 2013

**SUBJECT: SHELTERED HOUSING SERVICE - WATER RATES**

**REPORT BY: ACTING CHIEF EXECUTIVE**

### 1. PURPOSE OF REPORT

- 1.1 The Council has committed to undertaking a review of the service utilities as part of the overall sheltered housing review.
- 1.2 This report provides Members of the Housing Task Group with details of the current arrangements for the payment of water rates together with proposals for a future charging policy.

### 2. SUMMARY

- 2.1 On 17th February 2012, the stock transfer ballot resulted in a majority vote from the tenants in favour of their homes remaining with the Council.
- 2.2 As part of the offer within its Stock Transfer proposals, the Council promised to undertake a review of the sheltered housing service with the aim of developing improved services for sheltered housing tenants and other older tenants, following full consultation within twelve months of the ballot, i.e. 17th February 2013. This includes a commitment to undertake a full review of the service utilities charges.
- 2.3 The current arrangements for the collection of water rates vary from scheme to scheme. This report seeks to address any anomalies and ensure the introduction of equitable arrangements across the county borough.

### 3. LINKS TO STRATEGY

- 3.1 The recommendations in this report provides the Council with options in respect of the collection of water charges in all sheltered housing schemes. The proposed changes to the water charges apply to sheltered housing tenants and would ensure equitable arrangements for all Council tenants. The report therefore links to the following strategic objectives:
  - Improvement Plan 2009/12, Building Better Communities for All - *To improve the provision of housing for our tenants;*
  - Community Strategy Living Environment Objective 1 – *Encourage the development and maintenance of high quality, well designed and efficient, sustainable homes and environments which can meet all needs;*
  - People, Property & Places: A Local Housing Strategy for Caerphilly County Borough (2008/2013) Strategic Aim 6 – *Our aim is to provide good quality, well managed homes in*

*communities where people want to live, and offer people housing choices which meet their needs and aspirations, and*

- The National Housing Strategy - Improving Lives and Communities - Homes in Wales (WG 2010) priority – *Provide housing-related advice, guidance and support, including financial and debt management advice, to help people stay in their homes and to help them to make best use of their income.*
- Older Persons Strategy
- Strategic Equality Plan – Objectives 3, 4, and 5

## **4. THE REPORT**

### **4.1 Background Information**

4.1.1 The Council owns and manages 37 sheltered housing schemes. In total there are 1090 sheltered housing units throughout the county borough. Schemes generally fall into one of the following categories:

- **Category 1 Schemes**  
Schemes comprising blocks of flats without communal facilities
- **Category 2 Schemes**  
(a) Schemes where all flats and communal facilities, such as communal lounge, kitchen, laundry, guest room, etc. are under one roof.  
  
or  
  
(b) Schemes where the dwellings are bungalows, usually grouped around a communal block housing the warden's office and communal facilities.
- **Category 3 (1 and 2 Combined)**  
Sheltered housing schemes where flats and communal facilities are under one roof and where there are blocks of flats within the boundary of the scheme. Tenants in the external flats share the communal facilities housed in the main building.

4.1.2 Appendix 1 provides a list of schemes within each category.

### **4.2 Current Arrangements – Water Rates**

4.2.1 The Rents Section collects the water rates for council tenants on behalf of Welsh Water. This arrangement is beneficial to tenants who have their water rates collected with their rent and do not have to organise their own payments to Welsh Water. The current arrangements for the collection of water rates in sheltered housing schemes are as follows:

#### *4.2.2 Type 1 - Schemes on the Water Rates Schedule*

There are a total of 562 units on the water rates schedule. The properties in these schemes have an individual rateable value and the water rates are based on the rateable value of each property, similar to the majority of residents within the Borough. The schedule is sent directly to the Rents Section and the actual charge from Welsh Water is set up on the Rent system. Tenants are advised of the charge when they receive notification of their rent and service charges immediately prior to each new financial year.

The actual amount due for our sheltered tenants in 2011/12 was £242,693 and was fully recovered apart from a few minor adjustments. There are no issues with the schemes on this arrangement.

#### 4.2.3 *Type 2 - Schemes excluded from the Water Rates Schedule*

There are 12 schemes where there is single meter supplying water to all individual flats and communal areas in the scheme, and a total of 277 units in these schemes. Tenants are charged a standard rate of £6.61 per week. This amount has been agreed based on retrospective costs and annual water rate increases and will vary each year depending on Welsh Water's price increases and any potential changes to rateable values.

The actual amount collected in 2011/12 was £83,499, which was £27,430 more than the amount payable to the Water Authority. These properties are not on the Water Schedule as there is no individual rateable value measured due to the fact there is only one meter supplying the whole scheme. Officers in the Sheltered Housing section receive the invoices directly for the water supply at each of these schemes and arrange payment to Welsh Water on the tenants' behalf.

#### 4.2.4 *Type 3 - Schemes on the Water Rates Schedule where tenants pay the standard charge*

There are 251 units where the tenants have an individual rateable value for their dwelling and are included on the water schedule but are charged the standard £6.61 charge. Typically these involve dwellings that are part of a scheme but may be not be in the main building, and historically it was agreed that all tenants in the scheme would pay the same rate.

The Council under recovered the actual amount due in 2011/12 from tenants in this category by £27,843. This has happened where the standard charge has not kept pace with annual water rates increases and will vary each year depending on Welsh Waters price increases and any potential changes to rateable values.

4.2.5 Overall the amount due to the Water Authority balances the amount collected because the amount recovered in excess of the payment due to the Water Authority from tenants in schemes identified in 4.2.3 above, offsets the deficit in the amount collected from tenants identified in 4.2.4 above, who are paying the standard £6.61 charge.

### **4.3 Water Rates – Communal Areas**

4.3.1 All sheltered housing tenants pay a contribution towards the cost of water consumption in communal areas within their weekly service charge. Based on the total amount payable for the communal areas, where these costs are clearly identified, the average cost per tenant for the financial year 2011/2012 was 40p per week. However, it should be noted that the amount payable could fluctuate annually depending on consumption and water rates price increases.

### **4.4 Proposals**

4.4.1 To ensure a consistent and fair approach to all tenants, an Equalities Impact Assessment should be undertaken to ensure that the following principles put forward for consideration meet the requirements of the Council's Equalities Policy prior to implementation of any changes. If this approach is agreed, the following principles could be adopted:

#### 4.4.2 *Type 1 - Tenants on the Water Rates Schedule who currently pay the actual cost*

No change proposed. These tenants will continue to pay the actual cost.

#### 4.4.3 *Type 2 – Tenants excluded from the Water Rates Schedule to pay the actual cost set by Welsh Water*

In schemes with single meters, the actual usage for each scheme would be charged retrospectively based on the previous years charge with an inflationary increase also being applied to bring them up to current cost levels.

#### 4.4.4 *Type 3 - Tenants on the Water Rates Schedule who currently pay the standard weekly charge*

Tenants on the Water Rates Schedule who pay the standard weekly charge would in future pay the actual amount set by Welsh Water and would be advised of the weekly charge payable immediately prior to each new financial year. Based on the shortfall of £27,843.00 in 2011/2012, these tenants would pay an average increase of £2.50 per week over a 48-week period. This will vary each year depending on Welsh Water's price increases and any potential changes to rateable values.

4.4.5 All tenants affected by these changes should be fully consulted before any changes are introduced.

4.4.6 A feasibility study is to be undertaken to install individual water meters in those schemes that could accommodate them. Tenants paying water rates on rateable value may apply directly for their own water meters to Welsh Water. If Welsh Water are unable to fit individual meters following a request from a tenant, an estimate of the usage for the unit would be provided to place the tenant on an assessed measured charge. The Rent Section would provide assistance to any tenants who wish to make an application for their own meters.

### **4.5 Housing Benefit**

4.5.1 The sheltered housing service charge is eligible for Housing Benefit and 80% of tenants are in receipt of this payment. However, heating, lighting and water rates are not eligible for Housing Benefit and for those tenants who pay a standard weekly charge, where the full costs are not met, these costs are being subsidised by the Housing Revenue Account, which is predominantly funded by rental income from all of the council's tenants. The proposals above would remedy this situation and the HRA would be prioritised for managing and maintaining council properties and contributing towards achieving WHQS.

### **4.6 Welsh Water Assist**

4.6.1 Tenants may qualify for reduced charges (where they pay their bills direct to Welsh Water) if they are on a low income and a family member has a medical condition that requires the use of a significant amount of extra water.

4.6.2 A Welsh Water Information leaflet has recently been sent out to all tenants with the rent increase notification letters to ensure that those who need help and are eligible, have sufficient information to request a reduced charge.

4.6.3 The Rent Section's Tenancy Support Officers are currently assisting tenants with issues relating to the Welfare Reform Act. They also offer advice about Water Assist to help eligible tenants apply for this reduction. It is intended that sheltered housing wardens will be offered awareness training on Water Assist to promote this service to their tenant. This training will be offered to Area Housing/Neighbourhood Housing Offices in the near future.

## **5. EQUALITIES IMPLICATIONS**

5.1 Caerphilly County Borough Council is opposed to discrimination in any form and aims to ensure that all sections of the community have access to and benefit from the full range of services it provides.

5.2 The current arrangements for the payment of water rates in our sheltered housing schemes requires a review to ensure consistency and fairness for all sheltered housing tenants regardless of their individual or family backgrounds.

5.3 We also need to ensure that we do not discriminate between older people living in sheltered housing and older people living in non sheltered designated older persons housing or general needs accommodation who may also be facing hardship in paying their water rates.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 If the proposals in paragraph 4.4 above are approved, all tenants on the schedule would in future pay water rates based on the rateable value of their properties and the actual charge from Welsh Water would be set up on the Rent system.
- 6.2 Tenants in schemes excluded from the Water Rate Schedule would pay the actual charge retrospectively.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 This report has no direct personnel implications.

## **8. LEGAL IMPLICATIONS**

- 8.1 Prior to any changes being made, advice would need to be sought from Legal Services and tenants may have to be served with a notice of variation to their tenancy agreement.

## **9. CONSULTATIONS**

- 9.1 Consultation has taken place with Officers listed as consultees.

## **10. RECOMMENDATIONS**

- 10.1 Members of the Caerphilly Homes Task Group consider the contents of the report and recommend to the Housing Cabinet Sub-Committee that:
- 10.2 The principles proposed in paragraph 4.4 above as set out below be adopted at the earliest opportunity subject to full consultation with those sheltered housing tenants affected by the proposed change.
- 10.3 Tenants on the water schedule who currently pay the actual amount would continue with the current arrangement.
- 10.4 Subject to consultation those tenants on the schedule who currently pay the standard £6.61 weekly charge for water rates to be advised that their water payments will be based on the rateable value of their properties and they will be required to pay the actual amount identified on the water schedule.
- 10.5 For tenants in single metered schemes, the actual usage for each scheme be charged retrospectively based on the previous years charge with an inflationary increase being applied to bring them up to current cost levels.
- 10.6 A full Equalities Impact Assessment would be undertaken to ensure the recommendations meet the requirements of the Council's Equalities Policy prior to implementation.
- 10.7 Subject to advice from Legal Services, tenants affected by the proposed changes to be served with a variation to their tenancy immediately prior to any changes being introduced.
- 10.8 That an options appraisal be undertaken with Welsh Water to determine the practicalities of installing individual meters in place of single meters where this is feasible. Subject to the outcome of this exercise, it is recommended that funding be identified for the installation of individual meters on a rolling programme.

- 10.9 Tenants to be advised that if they wish to apply directly to Welsh Water for the their own water meter, where this request is not feasible, the company would estimate the usage for the unit and place the person on an assessed measured charge. They should also be advised that the Rent Section would provide assistance to any tenants who wish to make an application for their own meters.

## **11. REASONS FOR THE RECOMMENDATIONS**

- 11.1 The Council made a commitment within the formal offer document to tenants to undertake a full review of the sheltered housing service with the aim of ensuring a consistent and fair approach. This included a review of the current arrangements for the payments of utility charges.
- 11.2 It will also resolve the differential approach existing across all the sheltered housing schemes and for other older tenants who currently pay their own bills.

## **12. STATUTORY POWER**

- 12.1 Housing Acts and Local Government Acts. This is a Cabinet Sub-Committee function.

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Consultees:

Shaun Couzens	-	Chief Housing Officer
Graham North	-	Public Sector Housing Manager
Councillor Gerald Jones	-	Deputy Leader and Cabinet Member (Housing)
Nigel Barnett	-	Deputy Chief Executive
Lesley Allen	-	Principal Accountant
David A Thomas	-	Senior Policy Officer (Equalities and Welsh Language)
John Rogers	-	Principal Solicitor
Sandra Isaacs	-	Senior Rents Officer
Mandy Betts	-	Housing Strategy Manager
Gail Taylor	-	Tenant Participation Officer
Helene Day	-	Sheltered Housing Manager

Older Persons Housing Group

Appendices:  
Appendix 1 Schedule of Sheltered Housing Schemes by Category