

Service Charge Review



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The Council's review?

- Service Charges review group met between March and July and the new policy was presented to Tenants' Forum in July 2009.
- A transparent calculation and charging process is now in place providing tenants with greater detail about the service charges they pay.
- New charges will fully cover the cost of providing additional services to tenants and prevent the Council from incurring further deficits.

Implementation

- New charges to be implemented from 5th April 2010.
- Meetings held during January and February at each sheltered scheme setting out the new charging processes.
- An information letter and leaflet will be circulated to all affected residents week commencing 15th February.
- Rent review notices, including new service charge, to be issued week commencing 1st March.

Schemes included:

12 schemes with communal services are included process:

- Gold Street, Desborough
- Sackville Street, Kettering
- Burton House and Yeomans Court, Burton Latimer
- Castle Gardens, Geddington
- Harry Potter House, Kettering
- Hazeland House, Desborough
- The Lawns, Kettering
- Madams Gardens, Rothwell
- St Andrew's Court, Kettering
- Tudor Court, Kettering
- Windsor Gardens, Kettering

Current financial situation

Scheme	Annual income 2009/10	Costs incurred 2008/09	Variance £	
Gold Street	£4616.64	£3956.73	£ 659.91	S U R P L U S
The Lawns	£35343.36	£29454.95	£ 5888.41	
Tudor Court	£28154.88	£15225.23	£ 12929.65	
Windsor Gardens	£42531.84	£20742.54	£ 21789.30	
Sackville Street	£19712.16	£17967.54	£ 1744.62	
Totals	£130358.88	£87346.99	£ 43011.89	
Burton House	£7248.96	£10207.69	£ - 2958.73	D E F I C I T
Castle Gardens	£10836.48	£19378.05	£ - 8541.57	
Harry Potter House	£14976.00	£19059.16	£ - 4083.16	
Hazeland House	£16880.64	£25478.35	£ - 8597.71	
Madams Gardens	£10183.68	£21031.48	£ - 10847.80	
St Andrew's Court	£10706.88	£20974.99	£ - 10268.11	
Yeomans Court	£24560.64	£27020.88	£ - 2460.24	
Totals	£95393.28	£143150.60	£ - 47757.32	

What do the changes mean?

- New service charges will be applied to each scheme based on the costs incurred for each scheme on its own.
- Where service charges for a scheme go down, tenants will pay the new reduced charged from April 2010.
- Where charges increase, the Council will use a phased increase process to limit the amount of the increase over 3 years.

New scheme charges.

Scheme		Current Charge	New Charge 5 th April 2010	Change
Gold Street, Desborough		£4.58	£4.12	£ - 0.46
Sackville Street	Rear blocks	£10.36	£10.36	£ 0.00
	Main block	£12.89	£11.98	£ - 0.91
Burton House	Internal flats	£11.49	£16.68	£ + 5.21
	External flats	£8.21	£13.28	£ + 5.07
Castle Gardens	Main block	£12.47	£14.48	£ + 2.01
	Bungalows	£1.63	£12.02	£ + 10.39
Harry Potter House		£12.48	£16.68	£ + 4.20
Hazeland House	Main block	£12.48	£11.02	£ + 1.46
	Saxon Close flats	£1.63	£9.16	£ + 7.53
The Lawns	Main block	£12.48	£10.52	£ - 1.96
	External flats	£5.46	£9.01	£ + 3.55
Madams Gardens		£12.48	£27.06	£ + 14.58
St Andrew's Court	Main block	£12.48	£13.53	£ + 1.05
	St Andrew's Close	£1.63	£11.64	£ + 10.01
Tudor Court		£12.48	£7.09	£ - 4.61
Windsor Gardens		£12.48	£6.39	£ - 6.09
Yeoman's Court		£12.48	£14.42	£ - 1.94

How will this be implemented?

Decrease

if the service charge decreases, we will implement the reduced charges in full from April 2010.

Increase

Increases will be capped at £5 per week per year until tenants reach the new amount.

What happens next?

- Meetings have been held in sheltered schemes to discuss the changes with residents.
- Meetings at Gold Street and Sackville Street not required as charges already calculated in recent years using this process.
- An information letter and leaflet will be sent to all affected tenants w/c 15th February.
- Notices of new charge will be sent with the rent review notice in March and implemented from 5th April 2010.

Provide feedback



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