

Committee	Brockley Residents Meeting		Item No	
Report Title	Service Charges 2024/25			
Contributor	Regenter Brockley Operations Manager			
Class	Information	Date	2nd November 2023	

1 Purpose of Report

- 1.1 The report sets out proposals for resident's service charges in 2024/25.
- 1.2 The report requests Brockley Residents to note the proposals to increase the service charges for leasehold and tenanted properties in 2024/25. Resident's comments will be fed back to Mayor and Cabinet as part of the Council's overall budget setting process.

2 Recommendations

- 2.1 To inform Brockley Residents on the service charge proposals and feedback comments to Mayor and Cabinet.

3. Background of the Report

- 3.1 The Council's Housing Revenue Account is a ring-fenced account. The account can only contain those charges directly related to the management of the Council's housing stock. By implication leaseholders must be charged the true cost of maintaining their properties, where the provision of their lease allows. This prevents tenants subsidising the cost to leaseholders, who have purchased their properties.
- 3.2 The service charges will be increased in line with the September 2023 RPI (Retail Price Index) of 8.9% plus 1% (uplift under RegenterB3 contract) making a total increase of 9.9%. This percentage will be applied to the actual cost of each service element of the 2022/2023 figures. These costs have been audited and the actual cost of each service arrived at.
- 3.3 Each year a review of the actual service charge costs is undertaken as part of the budget setting process and recommendations made to the Council in respect of proposed charges.
- 3.4 Last year the increased cost of living and the energy crisis pushed the retail price index figures into double figures, we are pleased that this year the figure has reduced to single figures. The audit of actual costs

completed every year, ensures that any necessary adjustments are undertaken to ensure full cost recovery.

3.5 In the current economic environment, it must be recognised that for some residents these service charge increases may represent a significant financial strain. Those in receipt of housing benefit will receive housing benefit on increased service charges. Within Brockley PFI managed stock, there are approximately 315 live HB claims and approx. 374 tenants on Universal Credit. We say approx. because there are many tenants who are in receipt of UC but manage their finances themselves paying bills and rent directly. Pinnacle, have a Welfare benefits and financial inclusion team available to support all Regenter Brockley residents. Officers determine the need, whether it be benefit/Income maximisation, help with benefit awareness and eligibility, amongst many other financial support areas. This service is offered to all residents.

4. Leasehold Service Charges

4.1 The basis of the leasehold management charge has been reviewed and externally audited this summer to reflect the actual cost of the service.

4.2 The following table sets out the current average weekly charge and the proposed increase for the current services provided by Regenter B3.

4.3 The proposed service charges for 2024/25 have been aligned to the 2022/23 actual service charges costs.

4.4 The data in the table for leaseholders has been calculated to reflect the charge applied for inflation as allowed for within the contract at a rate of 9.9% (September 2023 RPI of 8.9% + 1.0%) Overall, charges are suggested to be increased by an average of £1.93 per week which would move the current average weekly charge from £19.48 to £21.41.

Service	Leasehold No.	Actual Weekly Amount (End of Year 2022/2023)	Increase (9.9%)	weekly increase	New Weekly Amount at 9.9%
Caretaking	429	£3.56	9.90%	£0.35	£3.91
Grounds Maintenance	435	£2.17	9.90%	£0.21	£2.38

Communal Lighting	397	£1.84	9.90%	£0.18	£2.02
Bulk Waste	429	£1.47	9.90%	£0.15	£1.62
Window Cleaning	237	£0.03	9.90%	£0.00	£0.03
Resident Involvement	584	£0.29	9.90%	£0.03	£0.32
Customer Services	584	£0.47	9.90%	£0.05	£0.52
Ground Rent	568	£0.00	9.90%	£0.00	£0.00
General Repairs	584	£3.35	9.90%	£0.33	£3.68
Technical Repairs	401	£0.87	9.90%	£0.09	£0.96
Entry Phone	140	£0.66	9.90%	£0.07	£0.73
Lift	242	£1.76	9.90%	£0.17	£1.93
Management Fee	584	£3.01	9.90%	£0.30	£3.31
Total		£19.48		£1.93	£21.41

5. Tenant Service Charges

- 5.1 Tenant service charges were separated out from rent (unpooled) in 2003/04. Tenants pay service charges for caretaking, grounds maintenance, communal lighting, bulk waste collection and window cleaning.
- 5.2 In addition, tenants pay a contribution of £0.15pw to the Lewisham Tenants Fund. At present there are no plans to increase the Tenants Fund charges.
- 5.3 As outlined in this report, the principle to be applied to service charges is that full cost recovery should be maintained wherever possible. The service charge increase applied for 2024/25 will be set in November 2023 to be applied from 1st April 2024. Pinnacle review service charges on a regular basis to ensure they are appropriately set and will continue to do so.
- 5.4 The data in the table for tenants as shown below, has been calculated to reflect the charge applied for inflation as allowed for within the contract at a rate of 9.9% (September 2023 RPI of 8.9% + 1.0%) Overall, charges are suggested to be increased by an average of 0.72 pence per week which would move the current average weekly charge from £7.53 to. £8.25.

Service	Current Weekly Charge based on the Actuals for 2022/23	Increase (9.9%)	weekly increase	New Weekly Amount at 9.9%
Caretaking	£3.56	9.90%	£0.35	£3.91
Grounds Maintenance	£2.17	9.90%	£0.21	£2.38
Communal Lighting	£0.14	9.90%	£0.01	£0.15
Bulk Waste	£1.48	9.90%	£0.15	£1.63
Window Cleaning	£0.03	9.90%	£0.00	£0.03
Tenants fund	£0.15		£0.00	£0.15
Total	£7.53		£0.72	£8.25

Feedback received from residents at the meeting on 2nd November will be included in the Housing Select Committee Report. Other comments received to the end of November 2023 will be included in the Mayor and Cabinet Report.

Please ensure all comments are sent to Brockley Customer Services by email at Brockley.customerservice@pinnaclegroup.co.uk or by post to Brockley Customer Services, 111 Endwell Rd, Brockley, SE4 2PE.

If you require any further information on this report, please contact:
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