

APPENDIX X4: Leasehold and Tenants Charges 2022/23 Lewisham Homes

Meeting	Resident Engagement Panel		Item No.	x
Report Title	Service Charges 2022/23			
Report Of	Director of Finance and Technology - Rowann Limond			
Class	Information	Date	24 November 2021	

1. Purpose of the Report

- 1.1 This report sets out proposals for residents service charges in 2022/23 Residents are invited to comment on the proposals which will be fed back to the Mayor as part of the Council's budget setting process.

2. Recommendations

- 2.1 To consult residents on the service charge proposals and provide feedback to the Mayor.

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 Each year a review of the actual costs is undertaken as part of the budget setting process and recommendations made to the council in respect of proposed charges.
- 3.3 Where possible we aim to keep these charges within the inflation rates. It should be noted that the inflation rates as at September 2021 were CPI 3.1% and RPI 4.9%. The overall increase to the weekly service charge is 4.09%.

4 Tenant and Leasehold service charges 2022/23

- 4.1 The proposed 2022/23 charges as compared with 2021/22 are shown in Appendix 1
- 4.2 The proposed charges for 2022/23 have been aligned, as much as possible, to the 2020/21 actual service charges. Adjustments have been made where the actual costs include exceptional items and have caused a spike in the rolling average for these costs. This is particularly the case for building repairs and maintenance costs.
- 4.3 If you were to receive all of the services in appendix 1 the total proposed service charge increase is from £35.72 per week to £37.18, an increase of 4.09%. This increase has been driven by inflationary increases to costs. In particular there has been a 2.75% cost of living increase to staff costs, which has directly affected the costs of caretaking, grounds maintenance and sweeping,
- 4.4 There have been increases in transport costs due to increases in fuel. This has also contributed to cost increases across a number of service charge headings.
- 4.5 There has been a decrease in service charges for lifts and entry phones due to actual costs for 2020/21 being lower than estimated.
- 4.6 A proposed increase in communal heating and communal lighting of £1.05 and £0.21 per week respectively is due to an increase in energy costs.

If you require further information on this report please contact Rowann Limond on
020 3889 0650 or email rowann.limond@lewishamhomes.org.uk

Appendix 1

Existing Service	Tenant (T)/Leaseholders (LH)	Estimate (per week charge)	Estimate (per week charge)	Amount	Change in weekly charge	
		2021/22	2022/23		£	%
		£	£		£	%
Caretaking	T & LH	6.49	6.76	4,560,283.05	0.27	4%
Ground Maintenance	T & LH	2.11	2.20	1,870,031.07	0.09	4%
Repairs and Maintenance - Building	LH	2.98	3.28	854,174.95	0.30	10%
Repairs and Maintenance Technical	LH	1.05	1.13	273,415.53	0.08	8%
Lifts	LH	2.69	1.66	90,033.51	-1.03	-38%
Entry Phone	LH	0.75	0.51	34,452.63	-0.24	-32%
Block Pest Control	T & LH	1.83	2.10	197,112.86	0.27	15%
Ground Rent	LH	0.19	0.19	50,550.00	0.00	0%
Sweeping	LH	1.04	1.08	220,016.84	0.04	4%
Management	LH	2.52	2.70	706,522.92	0.18	7%
Window Cleaning	T & LH	0.12	0.13	46,593.20	0.01	8%
Bulky House Hold Waste Collection Service	T & LH	0.58	0.58	363,058.00	0.00	0%
Bulk Waste Disposal	T & LH	0.85	0.88	566,915.10	0.03	4%
Insurance	LH	0.96	1.14	300,237.58	0.18	19%
Total excluding energy charges		24.17	24.36	10,133,397.25	0.20	1%
Communal Lighting	T & LH	1.10	1.31	690,306.47	0.21	20%
Communal Heating and Hot Water	T & LH	10.46	11.50	880,462.96	1.05	10%
Total energy charges		11.55	12.81	1,570,769.43	1.26	11%
Grand Total		35.72	37.18	11,704,166.68	1.46	4.09%