

TMO BOARD – 8th DECEMBER 2005

REPORT BY THE DIRECTOR OF FINANCE

HEATING & HOT WATER CHARGES - COUNCIL KDR

The Board is asked to note the actions taken by the Council in signing a Key Decision Report on how to implement a price increase in respect of Heating and Hot Water Charges and to agree to making a provision of £15,000 to match fund the Council's hardship provision.

FOR DECISION

- 1.1 The Board considered a paper on the subject of Heating and Hot Water Charges at their October meeting which contained some alternative methods of dealing with the cost escalation and the resultant under-recovery of service costs. The issue was also debated at the Tenant's Consultative Committee in October
- 1.2 The Council noted the Board's comments and suggestions and those arising from the Tenant's Consultative Committee. A Key Decision Report was prepared, a copy of which is attached.
- 1.3 The report recommended that the methodology to calculate future charges be changed so that full recovery of the estimated liability at the time of rent setting could be achieved within the year. It further recommended that recovery of undercharges prior to 2005/06 should not be pursued.
- 1.4 It recommended that an increase of 23% should be applied for the half year beginning 1st October 2005 to be billed over five quarters commencing in January 2006.
- 1.5 Its final recommendation is to invite the Council to make a provision to alleviate hardship and to invite the TMO to match the contribution. The scale of this is not yet known but it is recommended that a sum, not to exceed £15,000 is set aside to assist. This can be sourced from the current year's budget

Redmond Lee

Director of Financial Services