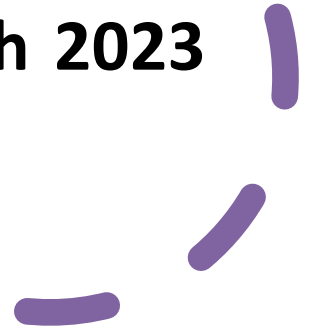




Milton Keynes City Council

Tenant & Leaseholder Group Meeting 1 March 2023

Rents & Service Charge Review Project



What is the project scope?



PUT TENANTS & LEASEHOLDERS AT THE HEART OF DECISION MAKING



ASK STAKEHOLDERS HOW THEY WANT SERVICES DELIVERED AND TO WHAT STANDARD



IDENTIFY SERVICE COSTS AND AGREE WITH CUSTOMERS HOW THESE SHOULD BE COLLECTED



INTRODUCE A NEW PROPERTY STRUCTURE AND AGREE HOW CHARGES ARE APPORTIONED



AGREE WITH CUSTOMERS THE FINER DETAILS EG LETTERS AND CERTIFICATES



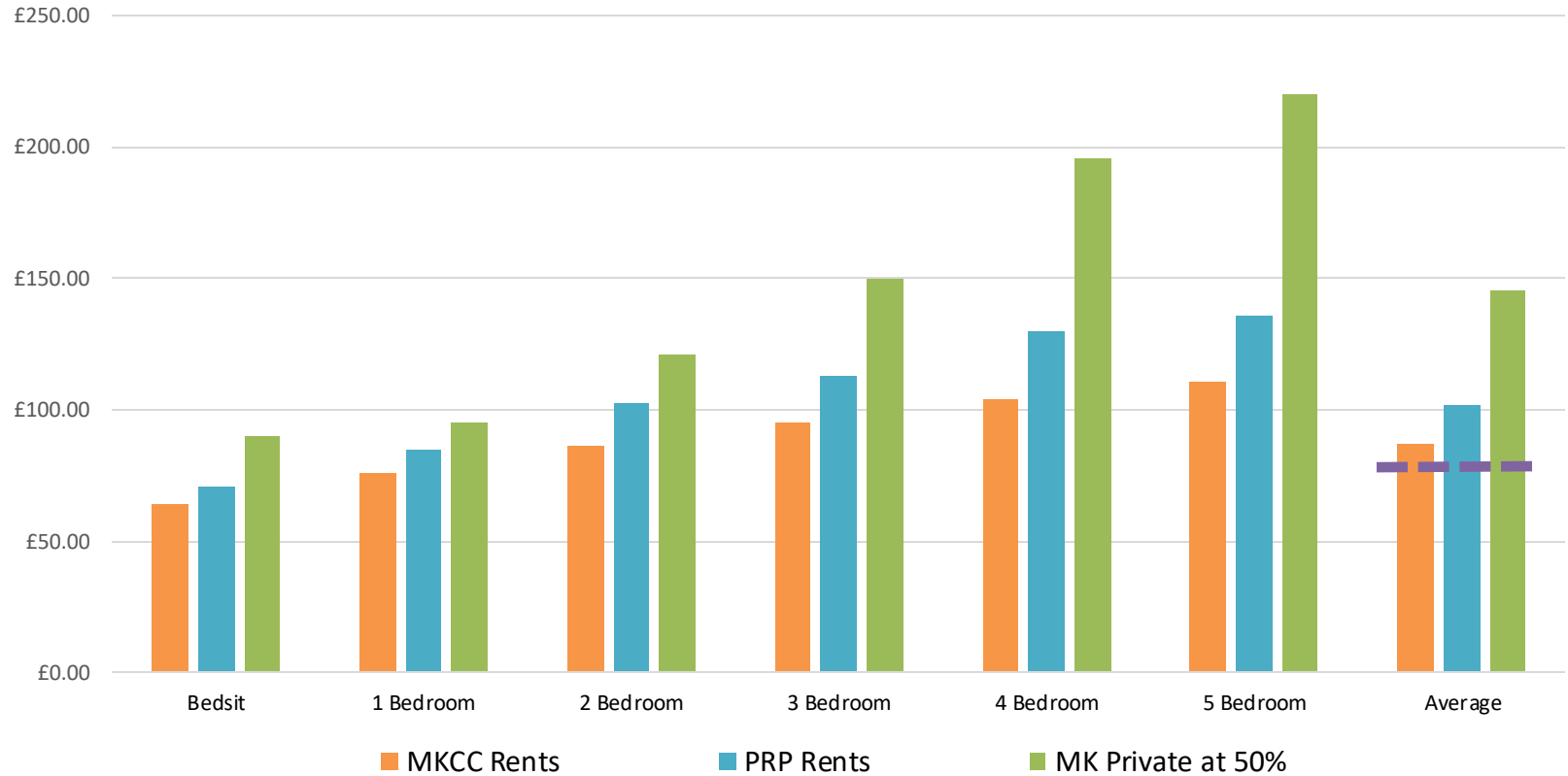
MAKE PROPOSALS TO COUNCIL ON WHEN THESE NEW CHARGES SHOULD COME INTO EFFECT

Rent Increase 2023/2024

- Policy is based on CPI + 1% annually
- Should be 10.1% + 1% = 11.1%
- Government have capped rent at 7% for current tenants
- Property formula rents have risen by 11.1%
- Service Charges are excluded



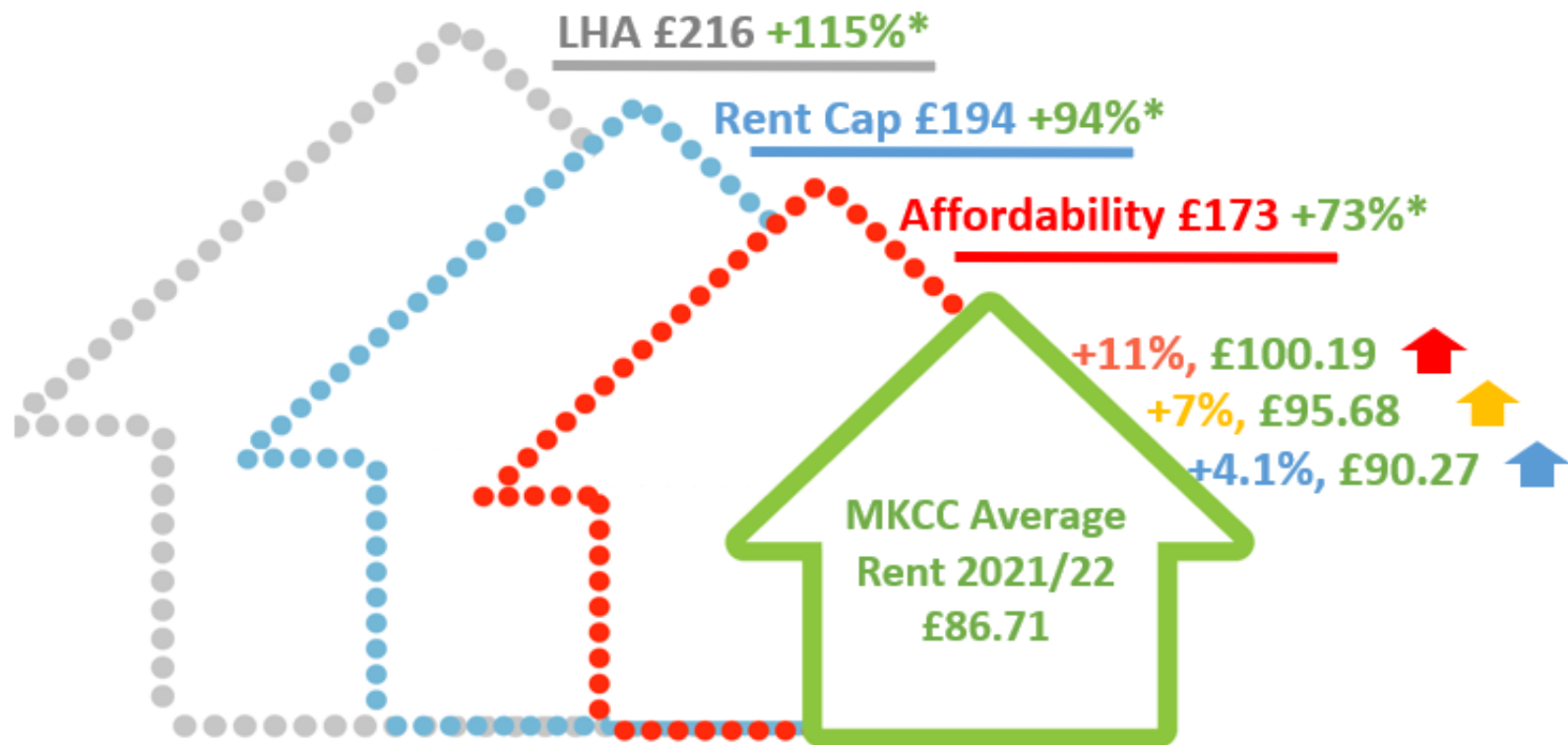
MKCC rents compared to housing associations and private sector (17%)



Average social rent by neighbouring registered providers



Figure 10



*% indicates percentage difference measured from MKCC rent increased by 11.1%

Historical rent setting

The gap between Social Formula rent and actual rents that tenants currently pay is £5.1 m a year



Average earnings set against rent – Affordability measures



Service charges 2023/2024

- Caretaking – Increased by inflation
- Cleaning – Increased by inflation
- Utilities – significant increase
- Heating Charges - significant increase
- Alarm charges – 5%
- Warden charges – 5%
- Digital TV aerials – no change
- Leasehold Charges – done later in year



Comparison in service charges 2022/2023 and 2023/2024

Element description	2022 / 2023				2023 / 2024		
	Estimated Expenditure	No of Units	Average Cost	52 week basis	Estimated Expenditure	No of units	Average Cost
Alarm Service	168462.00	882	3.82	3.67			4.01
Caretaking Service	491193.00	1756	5.59	5.38	479,896.56	1738	5.31
Cleaning Service	369578.50	2508	2.95	2.84	391,199.64	2508	3.00
Electricity communal	152582.50	839	3.64	3.50	402,043.72	821	9.42
Electricity Private	142419.00	552	5.16	4.96	351,104.52	552	12.23
Gas communal	76824.50	821	1.87	1.80	237,907.28	821	5.57
Gas private	255306.00	737	6.93	6.66	1,297,513.88	737	33.86
Communal heating charge	97635.50	301	6.49	6.24	416,900.12	301	26.64
Lighting communal	133125.00	1777	1.50	1.44	254,818.20	1795	2.73
Water communal	19377.50	800	0.48	0.46	20,291.44	800	0.49
Water private	107154.00	633	3.39	3.26	135,177.12	597	4.15

Service Charges One



Communal Facilities



Utilities Charges



Environmental Charges



Property Specific

Service Charges Two



Open Spaces Charges

**ADMIN
FEE**

Administration Charges



Leasehold Charges



Client Specific Charges

Caretaking and Cleaning Services

- Christopher Boyo
- Housing Manager
- Neighbourhood Services



Accounting Considerations

- Apportionments
- Accounting calendar
- Full recovery
- Deficits and Surpluses
- Sinking & Reserve Funds





Communications Plan

- Initial letter to all stakeholders ✓
- Consultation Website ✓
- MKCC Approval ✓
- Customer engagement ✓

Questions

- ❖ What level of engagement is acceptable?
- ❖ Reasonable adjustments
- ❖ Decision making deadlines
- ❖ Pre-election period



Decision Making Process

- What percentage of customers need to agree?
- How are consultations going to work?
- How long do you want voting to be left open for?
- Are results based on the number of respondents?
- How would you like results published? Website?



Repairs and Maintenance

- Responsive Repairs Service is outside the scope of this review
- Planned maintenance is inside
- Servicing is inside
- Compliance works is inside e.g. water management

