

TITLE OF REPORT: Housing Revenue Account (HRA) Rent and Service Charges 2022/23

REPORT OF: Colin Huntington, Strategic Director, Housing, Environment and Healthy Communities
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Purpose of the Report

1. Cabinet is asked to recommend to Council;
 - the proposed rent changes from 4 April 2022, in line with the Government's rent setting policy.
 - the detailed proposals for the 2022/23 HRA service charges.

Background

2. Council agreed the Housing Revenue Account (HRA) 30-year Business Plan on 18 November 2021. Overall, the HRA Business Plan is fully costed and does not breach the minimum £3 million balance during the life of the plan (30 years). However, to incorporate all the cost pressures and anticipated capital investment, including new social housing stock, borrowing will need rise significantly above the current levels.
3. The Local Government and Housing Act 1989 (Part VI) states that the Council has a duty to prevent a debit balance on the HRA. The business plan therefore maintains an overall minimum reserve balance of £3 million.
4. Historically the Council has followed Government formula and guidelines to set the rent level for social and affordable properties. In addition, Gateshead has followed best practice in relation to setting clear and transparent service charges.
5. Government policy on rents for social housing applies to all registered providers i.e. to both local authority registered providers and private registered providers. The rent standard enables rents to be increased by up to the Consumer Price Index (CPI) for September plus an additional 1%.
6. The Rent Standard also requests registered providers to endeavour to limit service charge increases to within the same formula but allows flexibility to cover the recovery of the service cost.
7. The CPI for September 2021 was 3.1%. In response to the rising levels of inflation above the Government's target levels of 2% for CPI and 3% for Retail Price Index

(RPI) the Office for Budget Responsibility (OBR) updated the inflation forecasts for the next 5 years. This will therefore impact both income and cost projections.

8. A detailed review of Gateshead's fees and charges is carried out each year to ensure the HRA recovers only the full costs associated with providing services to tenants, this includes passing on any savings made to tenants through cost cutting efficiencies implemented by the council.
9. Where an inflationary increase is appropriate the September 2021 CPI rate of 3.1% has been applied in line with the inflationary measure used for setting rents. Those charges which relate to General Fund Services, such as Care Call, will be subject to a Fees and Charges report to Cabinet in February 2022.

Proposal

10. An increase in rents of 4.1% (2022/23) in line with the rent standard.
11. A summary of the recommended changes to the service charges for the HRA 2022/23 is presented in Appendix 3.

Recommendations

12. Cabinet is asked to recommend to Council:
 - (i) The 4.1% rent increase from 4 April 2022 as detailed at Appendix 2.
 - (ii) The HRA service charges as detailed in Appendix 3.

For the following reasons:

- (i) To contribute towards setting a Housing Revenue Account for 2022/23 that is not in debit as required under the Local Government and Housing Act 1989 (Part VI).
- (ii) To realise the Council's policies and objectives in relation to the Housing Strategy to maintain and enhance Council Housing provision in Gateshead.
- (ii) To assist in the delivery of the Council's vision for Gateshead as set out in Making Gateshead a Place where Everyone Thrives.

Policy Context

1. The proposals support the overall vision for Gateshead as set out in Making Gateshead a Place Where Everyone Thrives including achieving the following outcomes: providing good quality housing with a mix of tenures and affordable options that meet the needs of local people including families and older people enabling them to live healthy lives and to make healthy choices, preventing ill health.
2. The Housing Strategy 2019-2030 identifies clear housing objectives and priorities, puts forward a vision for housing in Gateshead, and sets a framework for how the Council will deliver services and interventions, and work in partnership with others, in a way that will help achieve those objectives using increasingly scarce resources proportionately and effectively. It includes three overarching strategic objectives:
 - Sustainable housing and economic growth
 - Sustainable neighbourhoods
 - Improved health & wellbeing
3. In addition to these overarching objectives one of the key themes embedded in the strategy is supporting the long-term sustainability of the Council's housing stock and the Housing Revenue Account (HRA).

Background

4. Historically the Council has followed Government formula and guidelines to set the rent level for social and affordable properties. In addition, Gateshead has followed best practice in relation to setting clear and transparent service charges.
5. Government policy on rents for social housing applies to all registered providers i.e. to both local authority registered providers and private registered providers. The rent standard enables rents to be increased by up to Consumer Price Index (CPI) for September plus an additional 1%.
6. The Rent Standard also requests registered providers to endeavour to limit service charge increases to within the same formula but allows flexibility to cover the recovery of the service cost.
7. The Rent Standard for social rent housing states:
 - 7.1 Registered providers may set the initial rent on properties to be let at social rent at a level that is no higher than formula rent, subject to the rent flexibility level.
 - 7.2 "Rent flexibility level" means either 105% of formula rent or if the accommodation is supported housing 110% of formula rent.
 - 7.3 The weekly rent of an existing tenant may not be increased by more than either (a) CPI (as at September in the previous year) + 1% in any year or (b) if the tenant's rent exceeds the rent flexibility level, CPI in any year.

- 7.4 Registered providers must not allow rents to rise above the rent cap level for the size of property concerned. Rent caps will be increased annually by CPI + 1.5%.
8. Affordable rent housing follows the same principles as above with additional guidance covering:
- 8.1 The maximum gross rent for a tenant under a new tenancy is 80% of the market rent for the tenant's accommodation.
- 8.2 If the formula rent is higher than 80% of the weekly market rent for the tenant's accommodation, the maximum weekly rent (exclusive of service charges) is formula rent.
- 8.3 Affordable rent includes all relevant service charges.

Proposed Rent Changes

9. The maximum rent increase allowable is CPI at September 2021 of 3.1% plus an additional 1%, giving 4.1% in total. Applying that to Gateshead's HRA stock gives average rent values of:

50 Weeks Rent	Affordable Rent	Social Rent
Average Rent 2022/23	£103.41	£83.96
Average Rent 2021/22	£99.34	£80.66
Movement	£4.07	£3.31
% Increase	4.10%	4.10%

10. Not applying the maximum rent increase of 4.1% is an option but this would have a significant impact on viability of the HRA as any increase below this level would reduce the base rent figure upon which all future rent increases would be calculated. For example, a CPI-only increase of 3.1% would reduce an indicative rent revenue in 2022/23 alone by an estimated £0.750m.
11. 71% of council tenants are in receipt of either housing benefit or universal credit welfare support.
12. A summary of the average social rent charges is shown in appendix 2. A similar breakdown is not provided for affordable rent properties as this applies to 42 properties only varying from flats acquired above shops to new build assisted living schemes.

Service Charges

13. There are both mandatory and discretionary service charges in the HRA. Mandatory charges include energy costs and services, sheltered scheme officers, caretaking, cleaning and concierge. Discretionary include leased furniture packages, gardening and garages. Out of the 18,750 live dwellings 5,598 tenants are liable for mandatory service charges (29.9%) and 2,218 tenants take up discretionary services (11.8%). The Council raises £5.2m from charges to tenants of which £1m relates to general fund services and are included in the wider Council Revenue Budget.

14. As per paragraph 11 a total of 71% of tenants are in receipt of welfare support. A number of the Council charges for services are eligible for benefit; these are primarily services associated with buildings and cover charges such as cleaning, concierge, caretaking and part of the Sheltered Scheme Wardens. Some of the proposed increases relating to utility costs are not benefit eligible but these are charges driven by market factors.
15. Guidance from Central Government is that fees and charges should cost recover in full where applicable. This is to protect other tenants from essentially contributing to costs that they are not responsible for. Where possible the proposed increases recover the full cost of services.
16. The council must produce a transparent process to ensure that actual revenue-only costs are identifiable and reasonable. In determining fees, it must be assumed that all properties are charged equally, no allowance can be made for any void properties held unless they are already declared surplus and earmarked for demolition. Where applicable any savings from efficiencies or changes to working practices are passed onto the service users.
17. It is proposed to continue to step the increase in charges associated with the cleaning of communal areas in low-rise and mid-rise blocks to mitigate any disproportionately high percentage increase.
18. A full listing of all fees and charges for 2022/23 is presented at Appendix 3. As part of the process of setting the proposed service charges an Integrated Impact Assessment is undertaken on the levels of rent and service charge increases (Appendix 4).
19. The charges for furnishings and laundry and cleaning of corridors and windows within Angel Court and gas heating in Warwick Court are proposed to be reduced to reflect actual charges/costs of providing the services.
20. There is no proposed change to gas heating in communal areas and cleaning (separate units only) within sheltered accommodation, the maintenance of the fire safety system at Regent Court, the admin charge for the furniture scheme, the gardening scheme and garages.
21. Inflationary increases of CPI of 3.1% are proposed to be applied to repairs and maintenance of communal areas, outside use of communal lounges, use of guest rooms at sheltered accommodation, mortgage and rent references.
22. Charges for the Winlaton Assisted Living Scheme are included as part of the affordable rent for the scheme and are therefore subject to a 4.1% increase in line with the affordable rent formula.
23. Charges for care call and the home support service charges at Angel Court are Council General Fund services and as such the level of charges will be determined via the Fees and Charges report to Cabinet in February 2022.
24. All other charges are proposed to be charged at full cost recovery which for some charges will result in an increase above inflation especially in areas where there may have been stepped increases in charges previously applied.

Consultation

25. Consultation has taken place with the Leader and Deputy Leader and Cabinet Members for Housing and also with The Strategic Housing Board.

Alternative Options

26. Alternative approaches are mentioned in the report but are not proposed due to the detrimental impact on the viability of the HRA.

Implications of Recommended Option

27. Resources

- a. **Financial Implications** – The Strategic Director, Resources and Digital confirms that the financial implications associated with the proposed increases in the rent and service charges will be incorporated into the HRA budget 2022/23, 5 year and 30-year plan to be considered by Cabinet in February 2022.

The estimated additional income to the HRA will in part be determined by the average number of void properties, the number of right to buy sales and any additions to the housing stock portfolio. These assumptions are currently under review.

- b. **Human Resources Implications** – Nil.

- c. **Property Implications** – the review of the HRA Asset Strategy will be underpinned by a robust business plan to which the level of rent is a significant enabler.

28. **Risk Management Implications** – The added risks arising from self-financing and welfare reform means that the Council must continue to manage and maintain its housing stock from the rents collected. The 30-year HRA business plan will enable this to be monitored and ensure that decisions are made, where appropriate, to ensure the housing stock is maintained in the future.

29. **Equality and Diversity Implications** – An integrated impact assessment has been carried out to identify potential implications and impacts related to protected characteristics identified in the Equality Act 2010.

30. **Crime and Disorder Implications** – Nil

31. **Health Implications** – Nil

32. **Sustainability and climate emergency Implications** – The recommendations in the report will help deliver a more Sustainable Gateshead and support the delivery of the HRA Asset Strategy which includes carbon neutrality targets for the Council's housing stock.

33. **Human Rights Implications** – Nil

34. **Ward Implications** – All wards will be affected by the proposals in this report.

Background Information

Limit on Annual Rent Increases 2022/23

Rent Standard April 2020

Policy Statement on rents for social housing 2019

The Housing Revenue Account Self Financing Determinations February 2012

Welfare Reform Act 2016

Proposed Social Rent 2022/23

Property Type	Number	£'s Average Increase	Average of 2021-22 Basic Rent 50 weeks	Average of 2022-23 New Rent 50 weeks
BUN	3,088	£3.31	80.69	84.00
0BED	16	£2.94	71.83	74.78
1BED	1,748	£3.17	77.23	80.40
2BED	1,256	£3.48	84.96	88.45
3BED	68	£3.81	92.85	96.66
FLA	4,622	£2.98	72.80	75.78
0BED	160	£2.49	60.66	63.15
1BED	1,977	£2.82	68.77	71.59
2BED	2,307	£3.13	76.35	79.48
3BED	173	£3.37	82.18	85.55
4BED	5	£3.73	90.98	94.71
HOU	10,615	£3.45	84.22	87.67
1BED	111	£2.81	68.63	71.44
2BED	4,747	£3.31	80.79	84.10
3BED	5,414	£3.57	87.05	90.62
4BED	336	£3.77	91.83	95.59
5BED	4	£3.98	97.11	101.09
8BED	1	£4.65	113.31	117.96
6BED	1	£4.70	114.62	119.32
7BED	1	£4.96	120.96	125.92
MAI	164	£3.27	79.87	83.15
2BED	63	£3.13	76.30	79.43
3BED	101	£3.37	82.10	85.47
SHB	8	£3.11	75.92	79.03
1BED	4	£2.96	72.08	75.04
2BED	4	£3.27	79.76	83.02
SHF	211	£3.02	73.71	76.73
1BED	141	£2.93	71.48	74.40
2BED	70	£3.21	78.22	81.42
Grand Total	18,708	£3.31	80.66	83.96

Proposed Service Charges 2022/23

Ref	SERVICES	VAT	3.1% CPI at Sept 2021		
			CURRENT CHARGE 2021/22	PROPOSED CHARGE 2022/23	Movement
			£ per Week	£ per Week	£ per Week
	WARWICK COURT MULTI STOREY				
	<u>Gas Heating</u>				
1	Bed-sit	O/S	3.44	3.22	-0.22
2	One Bed Flat	O/S	5.09	4.76	-0.33
	<u>Repairs & Maintenance of Communal Areas</u>				
3&4	Bed-sit & One Bed Flat	O/S	3.87	3.99	0.12
	EAST ST FLATS				
	<u>Gas Heating & Hot Water</u>				
5	Bed-sit	O/S	4.86	4.98	0.12
6	One Bed Flat	O/S	7.45	7.64	0.19
7	Two Bed Flat	O/S	9.39	9.63	0.24
8	Three Bed Flat	O/S	11.66	11.96	0.30
	ANGEL COURT EXTRA CARE SCHEME				
9	Gas & Electric	O/S	18.34	21.49	3.15
	<u>Communal Facilities</u>				
10	Maintenance of Communal Areas - Flats	O/S	9.00	9.13	0.13
11	Maintenance of Communal Areas - Bungalows	O/S	1.42	1.44	0.02
12	Furnishings and laundry - Flats	O/S	1.60	1.04	-0.56
13	Furnishings and laundry - Bungalows	O/S	0.34	0.22	-0.12
14	Scheme manager	O/S	12.76	13.12	0.36
15	Cleaning of corridors and windows	O/S	8.78	8.50	-0.28
16	Provision of domestic home support	O/S	9.11	9.11	0.00
	SHELTERED ACCOMMODATION				
	<u>Gas Heating</u>				
18	Flat one bed	O/S	8.05	9.47	1.42
18A	Flat two bed	O/S	8.94	10.52	1.58
19	Sheltered Scheme Officer Properties	O/S	9.84	11.57	1.73
20	Communal Areas	O/S	1.39	1.39	0.00
	<u>Electricity</u>				
21	Flat	O/S	4.18	5.40	1.22
22	Sheltered Scheme Officer Properties	O/S	5.48	7.08	1.60
23	Communal Areas	O/S	3.88	5.01	1.13
24	Repairs & Maintenance of Communal Areas (contained units only)	O/S	2.24	2.31	0.07
	<u>Cleaning</u>				
25	Cleaning (communal areas for contained units only)	O/S	6.73	6.98	0.25
26	Cleaning (communal lounge for separate units only)	O/S	0.56	0.56	0.00
	<u>Sheltered Scheme Officers</u>				
27/28	Sheltered Scheme Officer	O/S	13.77	14.16	0.39
29	Mobile Sheltered Scheme Officer	O/S	7.77	7.99	0.22
30	Concessionary TV Licence (£7.50 p.a per room)	E	0.15	0.15	0.00

	LOW RISE BLOCKS				
31	Communal Areas - Cleaning	O/S	2.26	2.51	0.25
	MID RISE BLOCKS				
32	Communal Areas - Cleaning	O/S	5.04	5.47	0.43
	MULTI STOREY FLATS				
33	Concierge & cleaning	O/S	9.94	10.21	0.27
34	Caretaking & cleaning	O/S	9.15	9.53	0.38
	REGENT COURT				
35	Maintenance of fire safety system	O/S	1.66	1.66	0.00
	DISPERSED HOMELESS UNITS				
	<u>Heat & light</u>				
36	Sharing Bed-sit (each)	O/S			
37	Two Bed Flat	O/S			
38	Three Bed Flat	O/S			
	<u>Furnishings</u>				
39	Sharing Bed-sit (each)	O/S			
40	Two Bed Flat	O/S			
41	Three Bed Flat	O/S			
42	Warden	O/S			
43	Laundry	O/S			
44	Cleaning	O/S			
	OUTSIDE USE OF COMMUNAL LOUNGES				
45	Up to 1 hour	E	7.70	7.94	0.24
46	Up to 2 hours	E	14.15	14.59	0.44
47	1 Session (2 - 4 hours)	E	21.81	22.49	0.68
48	2 Sessions	E	40.09	41.33	1.24
49	3 Sessions	E	55.59	57.31	1.72
	ACCOMMODATION				
	<u>No en-suite amenities</u>				
50	Single (charge per night)	S	7.87	8.11	0.24
51	Couple (charge per night)	S	8.96	9.24	0.28
	<u>Partial en-suite</u>				
52	Single (charge per night)	S	9.76	10.06	0.30
53	Couple (charge per night)	S	10.32	10.64	0.32
	<u>Full en-suite</u>				
54	Single (charge per night)	S	11.12	11.46	0.34
55	Couple (charge per night)	S	12.25	12.63	0.38
	KITCHEN APPLIANCES				
56	Portobello	S	0.41	0.41	0.00
57	Cranesville	S	2.71	2.71	0.00
58	Millbrook	S	1.70	1.70	0.00
59	Norfolk Place	S	2.71	2.71	0.00
60	Hallgarth	S	1.70	1.70	0.00
	FURNITURE PACKAGES				
65	Mini Package	E	10.98	11.43	0.45
66	Package Option 1	E	20.05	20.87	0.82
67	Package Option 2	E	28.58	29.75	1.17
68	Package Option 3	E	36.97	38.49	1.52
69	Package Option 4	E	45.35	47.22	1.87
70	Admin Charge	E	2.14	2.14	0.00

	GARAGES				
71	Brick Garages (Council)	O/S	5.54	5.54	0.00
72	Brick Garages (Private)	S	9.34	9.34	0.00
73	Commercial Use	S	12.21	12.21	0.00
74	Commercial Storage	S	20.42	20.42	0.00
75	Parking Bays	S	21.81	21.81	0.00
76	DIGITAL AERIAL PROVISION	S	0.22	0.22	0.00
	CARE ALARMS, LIFELINES / DISPERSED ALARMS				
77A	Sheltered Scheme	S*	4.16	4.16	0.00
77B	Bronze	S*	5.41	5.41	0.00
77C	Silver	S*	6.14	6.14	0.00
77D	Gold	S*	9.36	9.36	0.00
77F	Platinum - New Charge	S*	20.59	20.59	0.00
77E	Smoke Alarm Monitoring	S*	0.75	0.75	0.00
78	Mortgage questionnaire	S	85.09	87.73	2.64
79	Rent reference	S	42.57	43.89	1.32
80	GARDENING SCHEME	S	6.05	6.05	0.00
81	COMMUNAL TV LICENCE	S	0.09	0.09	0.00
	WINLATON ASSISTED LIVING SCHEME				
82	White Goods Provision Charge	O/S	1.47	1.53	0.06
83	Furnishings, Curtains and Carpets				
	Derwent View Close	O/S	2.50	2.60	0.10
	Ramsey Street	O/S	2.95	3.07	0.12
	Half Fields Road	O/S	9.97	10.38	0.41
84	Concierge/Night Security staff	O/S	116.25	121.01	4.77
85	Phone line to office/internet	O/S	1.88	1.95	0.08
86	Cleaning Costs - Communal	O/S	0.52	0.54	0.02
87	External & Communal Window Cleaning				
	Derwent View Close	O/S	0.66	0.69	0.03
	Ramsey Street	O/S	0.66	0.69	0.03
	Half Fields Road	O/S	0.48	0.50	0.02
88	Electrical Testing (PAT)	O/S	0.25	0.26	0.01
89	Tunstall Equipment				
	Derwent View Close	O/S	4.58	4.77	0.19
	Ramsey Street	O/S	2.28	2.38	0.09
	Half Fields Road	O/S	9.37	9.75	0.38
90	Communal Electricity	O/S	1.55	1.62	0.06
91	Communal Gas	O/S	0.72	0.75	0.03
92	Communal Water	O/S	0.65	0.68	0.03
93	Cyclical- Internal Communal/Staff Areas				
	Derwent View Close	O/S	0.52	0.54	0.02
	Ramsey Street	O/S	0.52	0.54	0.02
	Half Fields Road	O/S	1.04	1.08	0.04
94	Administration Cost	O/S	20.71	21.55	0.85

Charges are 50-week charge unless otherwise stated

*Where installation of alarm is requested by tenant VAT is standard rated. If alarm is already built into property and part of rent or is part of care package VAT is outside the scope

Tenants with disabilities VAT is zero-rated



Tackle inequality so people have a fair chance
INTEGRATED IMPACT ASSESSMENT TEMPLATE

Title of proposal: Housing Revenue Account Rent and Service Charges 2022/23	Age	Race	Sex	Gender reassignment	Disability	Religion or Belief	Pregnancy and Maternity	Sexual Orientation	Marriage and Civil Partnership	Description of potential mitigation
<p>Equality impact: (✓ all that apply. The assessment should also consider impact on council employees and carers where applicable)</p> <p>Annually the Council reviews it's rent and service charges to take account of inflation and other factors impacting the charges to tenants.</p> <p>Rental increases will be applied to all 18,750 properties and therefore will not disproportionately impact a particular group or persons.</p>	◀				◀					<p>Increases in rent and service charges are subject to Government policy (The Rent Standard). Currently rents can only increase by up to CPI+1% which for 2022/23 is 4.1%.</p> <p>The Rent Standard also requests registered providers to endeavour to limit service charge increases to within the same formula but allows flexibility to cover the recovery of the service cost.</p> <p>In Gateshead 71% of tenants are in receipt of welfare benefit either Housing Benefit or Universal Credit. The proposed increases in</p>

<p>The equality impact therefore relates to the increases proposed in relation to service charges. However, consideration is given to the cumulative impact of both the rent and service charges.</p> <p>The Council does not know the full protected characteristics of all of its tenants. We do know that a number of our tenants are older/younger and have disabilities so have identified these as being the most relevant to this impact assessment.</p>										<p>rent are in line with Government Policy and should therefore be met by housing benefit.</p> <p>In addition to this there are services available to assist tenants:</p> <ul style="list-style-type: none"> • Advice and Support Team - helping people to maximise their income. • Debt Advice Team – helping people manage their debts. • Rent and Income Team – helping people sustain their tenancies. <p>There is a proposal to step the charges in relation to communal cleaning in low and mid rise blocks (impacting 450 properties) which whilst above inflation increase this is mitigating the impact of full cost recovery.</p>
<p>Age: There are 1,365 tenancies within sheltered accommodation which predominately has a minimum age of 60 (80 Void at time of preparation) that are likely to be disproportionately impacted due to the additional service charges associated with this type of accommodation. There were 318 tenants who are not in receipt of welfare benefits.</p> <p>The table inserted at the end of the assessment demonstrates most tenants (78.4%) will see overall increases in rent and service charges of between £3.00 and £3.99 per week. The pattern is the same for those in sheltered accommodation at 67% however there are 7% (98) of tenants who will see increases above £6 per week but of these 5 are void. 66 are in receipt of welfare benefit and all have more than 50% of the increase benefit eligible. Those with the lowest percentage of increases that are benefit eligible are in receipt of the care call service charge (see below).</p> <p>The reason for the higher increases is to do with energy price increases. This is a national issue and one which is impacting all households. Most tenants have their own metered supply and pay for their energy directly.</p>										<p>Any reduction in the cost of a service is passed onto the tenant.</p> <p>As the majority of the proposed increase relates to the rent and energy costs this is something that will impact all tenants equally and therefore specific mitigation is not considered appropriate.</p>

<p>In addition, increases in the care call service charge is incorporated into this impact assessment based on the increases proposed for the digital change which will impact certain tenants more than others.</p>	
<p>Disability: Demand for adaptations in council homes remains high, with a large proportion of residents defining themselves as having a disability.</p> <p>In the last two years the Council has brought forward housing to specifically support people with disabilities and this will be enhanced by a further number of units in 2022/23.</p> <p>These properties have benefited from Homes England investment and as such are let on affordable rents with the service charges incorporated into the rent and will therefore be subject to an inflationary increase of 4.1%.</p>	<p>The charges in these schemes are welfare benefit eligible and therefore given increases are in line with the Government policy they should be met by benefits where tenants are eligible.</p>
<p>Health impact: (eg physical, mental health, wellbeing, substance misuse)</p> <p>The income raised through increasing rents and service charges to cover costs associated with their provision and the increasing cost of delivering HRA services will continue to ensure the sustainability of the HRA and will enable continued investment in the housing stock including the development of new social housing to continue to meet the needs of Gateshead residents.</p> <p>The Health and Wellbeing Strategy identifies clear outcomes to support the delivery of “Gateshead Thrive”. Housing is identified as one of the wider determinants of health and can play a vital role in the long-term health and wellbeing of an individual.</p> <p>The Asset Management Strategy underpinned by the HRA business plan outlines the priorities for investment in the stock which includes not only maintaining standards required by legislation but also additional investment in ensuring there is adequate resources to adapt and build new housing to meet the needs of those with disabilities and ensure older persons housing is fit for purpose.</p> <p>The Council’s emerging Homelessness Prevention and Rough Sleeping Strategy will aim to eradicate rough sleeping in Gateshead, make homelessness a rare and one-off occurrence, and achieve positive outcomes for anyone who is homeless. The HRA will help to support delivery of this strategy</p>	<p>Any council tenants experiencing a negative impact on their health or wellbeing due to financial difficulties with increased rent and service charges, can access support from the specialist housing teams (advice and support, debt advice and rent and income) or from referrals to other partners as appropriate.</p>

<p>through the provision of much needed new affordable homes, and in contributing to the delivery of services to support and realise sustainable tenancy solutions for vulnerable people.</p>	
<p>Socio Economic impact: (eg neighbourhood, ward, area of deprivation, household group, income, wealth)</p> <p>The rental increase proposed applies to all tenancies regardless of their socio-economic status or location.</p> <p>Some service charges are discretionary and therefore subject to individual decisions whilst others are mandatory and part of the tenancy agreement.</p> <p>Analysis of tenant impact has indicated that it is those tenants not in receipt of benefits who will experience the increase in rent and service charges the most, as the proposed increases for 2022/23 will not be offset by the benefits system but will need to be paid for from their household income.</p>	<p>See above regarding welfare support.</p>
<p>Environmental impact: (does the proposal impact on climate change and the Council’s commitment to be carbon neutral by 2030? Is the proposal in line with the Council’s Environmental Policy? Does the proposal increase natural resource use? Does the proposal increase waste? Does the proposal increase pollution? Does the proposal impact on wildlife? Does the proposal increase car use? Does the proposal increase energy use?)</p> <p>The proposed increase enables the HRA to continue to be sustainable. Increases in inflation impact the costs associated with the delivery of the Housing services including net zero carbon targets.</p>	
<p>Cumulative impact: (consider impact based on successive budgetary decisions relating to the proposal or is the proposal part of wider budgetary considerations that may collectively have an impact on service users, and is potentially at odds with the Thrive agenda)</p> <p>Some tenants are also Care Call recipients and the digital transfer impact on the charges will also impact some tenants in receipt of this service. The proposed impact of this has been built into this tenant impact assessment to ensure the cumulative impact is understood. The HRA rent and service charge proposals do not however include the request to approve these charges as they are general fund charges and part of the wider budget process.</p>	<p>Clients who are assessed for the provision of care call equipment will undergo a financial assessment to determine their ability to pay, and nobody will be asked to pay more than they are able to afford.</p> <p>Existing clients will have protection if at the point of charging introduction, (expected to be from 1 April 2022) they are still in receipt of services outside of their normal assessment period.</p>

The Council collects water rates on behalf of Northumbrian Water. To enable the overall impact on tenants to be considered it has been assumed that these charges will increase by CPI.

A separate IIA has been developed for the Care Call service charges proposals for 2022/23.

Summary of consultation/data/research undertaken to inform the assessment:

(eg feedback and engagement with service users, trade unions, employees, partners, public, benchmarking, case studies)

A report to the Strategic Housing Board outlined the following:

- Rental increases and the potential to vary the amount of the increase together with the impact of that on the business plan and the income to the HRA.
- Key principles applied in calculating the service charges increases but at that time the actual proposals had not been fully worked through.

Discussions took place with officers in the Council's Energy Team regarding the potential increases arising from wholesale prices and information from the provider.



Signed: (completing officer) Kristina Robson – Corporate Finance Manager (Housing)

Date: 29/12/2021

Service Director: (approved) John Shiel



Date 7/01/2022

All Tenants Impact

Summary of Movement	No. of tenants			% of tenants		
	Service Charges only	Rent only	Overall charge	Service Charges only	Rent only	Overall charge
Reduction up to £0.99	6	-	-	0.0%	0.0%	0.0%
No change	12,192	-	-	65.0%	0.0%	0.0%
Increase up to £0.99	3,765	-	-	20.1%	0.0%	0.0%
Increase between £1.00 & £1.99	2,510	3	3	13.4%	0.0%	0.0%
Increase between £2.00 & £2.99	175	2,464	989	0.9%	13.1%	5.3%
Increase between £3.00 & £3.99	48	16,243	14,705	0.3%	86.6%	78.4%
Increase between £4.00 & £4.99	50	29	2,446	0.3%	0.2%	13.0%
Increase between £5.00 & £5.99	4	9	501	0.0%	0.0%	2.7%
Increase over £6	-	2	106	0.0%	0.0%	0.6%
Total Tenants	18,750	18,750	18,750	100.0%	100.0%	100.0%
Max Increase	£5.93	£6.69	£9.12			
Tenants affected	2	1	2			

Sheltered Schemes

SHELTERED SCHEMES ONLY					% of tenants			
Summary of Movement	Warden Charge	Other Service Charges	Rent	Overall Charge	Warden Charge	Service Charges only	Rent only	Overall charge
Reduction up to £0.99	-	2	-	-	0.0%	0.1%	0.0%	0.0%
No change	6	1	-	-	0.4%	0.1%	0.0%	0.0%
Increase up to £0.99	1,389	1,099	-	-	99.6%	78.8%	0.0%	0.0%
Increase between £1.00 & £1.99	-	172	-	-	0.0%	12.3%	0.0%	0.0%
Increase between £2.00 & £2.99	-	61	273	-	0.0%	4.4%	19.6%	0.0%
Increase between £3.00 & £3.99	-	9	1,122	935	0.0%	0.6%	80.4%	67.0%
Increase between £4.00 & £4.99	-	47	-	238	0.0%	3.4%	0.0%	17.1%
Increase between £5.00 & £5.99	-	4	-	124	0.0%	0.3%	0.0%	8.9%
Increase over £6	-	-	-	98	0.0%	0.0%	0.0%	7.0%
Scheme Tenants	1,395	1,395	1,395	1,395	100.0%	100.0%	100.0%	100.0%
Maximum Increase	£0.39	£5.54	£3.94	£9.12				
Tenants affected	525	2	1	2				