



North Tyneside Council

Housing Sub Committee

Friday, 10 March 2023

Monday, 20 March 2023 0.01 Chamber - Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY **commencing at 6.00 pm.**

Agenda Item	Page
1. Apologies for Absence To receive any apologies for absence.	
2. Appointment of Substitute Members To be notified of the appointment of any Substitute Members.	
3. Declarations of Interest You are invited to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest. You are also invited to disclose any dispensation in relation to any registerable and/or non-registerable interests that have been granted to you in respect of any matters appearing on the agenda. Please complete the Declarations of Interests card available at the meeting and return it to the Democratic Services Officer before leaving the meeting.	
4. Minutes To confirm the minutes of the meeting held on 23 January 2023.	5 - 8
5. Social Housing White Paper To receive an update presentation in relation to the requirements of the Social Housing White Paper.	
6. Draft Housing Services Rent Policy	9 - 20

Members of the public are entitled to attend this meeting and receive information about it. North Tyneside Council wants to make it easier for you to get hold of the information you need. We are able to provide our documents in alternative formats including Braille, audiotape, large print and alternative languages.

To consider and provide comments on the Draft Housing Services Rent Policy.

Circulation overleaf ...

Members of the Housing Sub Committee

Councillor John Hunter
Councillor Alan Percy
Councillor Joan Walker

Councillor Lewis Bartoli
Councillor Michelle Fox
Councillor Rebecca O'Keefe

Councillor Andy Newman (Chair)
Councillor Matthew Thirlaway
Councillor Erin Parker-Leonard (Deputy
Chair)
Councillor Lisa Ferasin
Councillor Gary Madden
Councillor Olly Scargill

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Housing Sub Committee

Monday, 23 January 2023

Present: Councillor A Newman (Chair)
Councillors John Hunter, A Percy, M Thirlaway, J Walker,
E Parker-Leonard, L Ferasin and L Bones

Apologies: Councillors M Fox, G Madden, R O'Keefe and O Scargill

In attendance: Councillors D Drummond, L Marshall and J Harrison

HO21/22 Appointment of Substitute Members

Pursuant to the Council's Constitution the following substitution was made:

Councillor L Bones for Councillor O Scargill

HO22/22 Declarations of Interest

Councillor M Thirlaway declared a non-registerable personal interest in Item 5, Decarbonisation Works for Housing, as his father works for North Tyneside Council.

HO23/22 Minutes

RESOLVED that the minutes of the meeting held on 21 November 2022 be agreed as a correct record.

HO24/22 Decarbonisation Works for Housing

The sub-committee received a presentation in relation to Decarbonisation Works for Housing. The presentation covered works complete and current position; decarbonisation plans for Council housing stock, decarbonisation plans for the private sector; the authority's approach to Housing net-zero; ongoing work and opportunities. As the topic covered the remits of Housing Sub-committee and Environment Sub-committee, members of Environment Sub-committee were invited to attend the meeting.

The sub-committee was informed there are around 97,000 homes in the borough, 14,281 of which are part of the Housing Revenue Account (HRA). This equated to 14% of all housing. It was noted that the authority has more influence over its own stock through investment decisions but there was a finite amount of money that restricted the ability to deliver ambitions.

Of the Council's housing stock of 14,281 homes, 13,357 are general needs, 924 North Tyneside Living PFI homes and 332 communal areas. A HRA New Build Programme, 30-year HRA Business Management Plan focussed on Decent Homes and the Housing Asset Management Strategy set out investment plans for the Authorities stock.

Within the private sector, responsibility for improvement and repairs rests with the owner. Grant funding was relied on to support efficiency improvements in the private sector. Investment to homes was delivered through a range of grants, including the installation of cavity wall insulation, loft insulation and some boiler replacements. The private sector stock had an average SAP rating of 64 (Low Band D). Under the Green Homes Grant LAD Schemes 1 and 2, a total of 606 measures were installed in 502 low-income homes, taking 386 homes up to EPC C.

A variety of measures had been implemented in Council owned homes to improve energy efficiency including: cavity wall and loft insulation; external insulation works complete on all non-traditional homes; double glazing in all homes; high efficiency lighting in communal areas; the installation of high efficiency condensing boilers; and Solar PV arrays to over 1,690 homes. The investment decisions that had been made put the Authority's housing stock in a good position, with a SAP rating of 72.88 (EPC Band C). SAP rating nationally was 66 (EPC Band D).

In terms of getting to Net-Zero, the Committee was informed that there were no real low-cost affordable solutions and there was an importance in identifying the right technologies to avoid investment regret. Options being looked at included a fabric first approach to building; Solar PV; Battery Storage; air source heat pumps; and information, education and behaviour change.

Members were informed that to bring Council owned homes up to a maximum efficiency rating would cost an estimated £500m and to bring private sector homes to maximum efficiency would be £2.7bn.

The HRA Business Plan identified decarbonisation works to be undertaken, with 15,012 measures amounting to £46.35m through to 2030. This included 1,538 Solar PV arrays to be installed, 5,640 high efficiency condensing boilers and 4,720 homes having LED lighting installed.

In relation to the decarbonisation of the private sector, LAD3 funding was being delivered which consisted of 320 measures by April 2023. Work was ongoing to access grants to support low-income homes. It was noted that the criteria for accessing grant funding was narrow. The North of Tyne Combined Authority was developing a business model for a 'one stop shop' energy advice centre.

The Authority's approach to Housing Net-Zero was a workstream linked to the Carbon Net-Zero Board. Progress was reported monthly on 5 key areas: General Needs Housing, Sheltered Accommodation, Communal Areas, New Build and Private Sector. It was noted that the challenge would always be levels of funding.

In relation to on-going work and opportunities, it was noted that all Council stock new builds from 2023 would be off gas, utilising a range of decarbonisation technologies. This was 2 years ahead of the government target of 2025. It was noted that consideration would need to be given to fuel poverty implications of moving to electricity-based solutions, especially in light of current energy costs.

The sub-committee discussed specifications for and lifespan of solar panel technology. It was noted that solar panels used to have to be in a south facing position, but that

technology had moved on so a south facing position was no longer a requirement. Solar panels were guaranteed for a period of around 20 – 25 years, after this time the efficiency of the panels would decrease. It was noted that as technology progresses, it was expected that panels would run at the greatest level of efficiency for longer.

The issue of air flow in properties was discussed and the problems that condensation can cause as a result of this. The possible use of humidity monitors was discussed and it was noted that this was something that was being considered by officers. The need for information to be made available in relation to small energy saving measures that could be made in the home was highlighted.

In relation to insulation measures on housing stock, it was noted that an asset programme, dating back to the late 1990's, set out when insulation would be due for renewal. In relation to the boiler replacement scheme, officers were asked if there could now be an element of choice, whereby tenants could choose to replace an old boiler with a heat source pump. It was noted that this was something that could be explored but that issues could arise if a future tenant wanted to return to a high efficiency condensing boiler system.

Members thanked officers for the information presented.

It was **agreed** to note the contents of the presentation.

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Meeting: Housing Sub Committee

Date: 20th March 2023

Title: Draft Rent Policy

Author: Christine Allen & Rachael Sanderson

Service: Housing Property Services

Wards affected: All

1. Purpose of Report

The purpose of the Rent Policy is to set out the overall approach to rent setting and income management, in doing so, helping maximise income and sustain tenancies. The Authorities housing income management service contributes to the financial strength of the Council so that it is able to provide financial resources to help deliver our strategic priorities.

Housing sub-committee is invited to comment on the draft Rent Policy.

2. Introduction

This Policy details how North Tyneside Council set new rents, review rents annually and the Authorities approach to income management. It applies to all housing including all social and affordable rent, garage tenancies and long lease for flats sold under the right to buy provisions.

3. Details

The Authority is responsible for calculating rents applicable to every Council home, using a formula based on the value of the home, average income for the area and Government guidelines. The higher the value of the property the higher the rent calculated, however, to protect tenants from large increases the Government caps the amount by which rent can increase in any one year.

Effective income management ensures that the Council can continue to deliver a good housing service, develop and maintain homes and help sustain viable tenancy arrangements by ensuring that all tenants receive the appropriate support and advice to enable them to deal with their finances.

4. Background Information

The current NTC housing rent policy was last updated in 2011, we have reviewed the policy and brought it up to date in line with legislation and our current processes/ procedures. As part of the review both a wide range of staff and tenants were consulted.

The Following Documents have been used in the compilation of this report and may be inspected at the offices of the author.

NTC Housing Income Policy Updated 2011
Equality Impact Assessment.
Tenant Consultation.

5. Appendices

NTC Draft Rent Policy 2023

North Tyneside Council Housing Services Rent Policy

Date: April 2023 **Version:** 1 **Author:** Rachael Sanderson & Christine Allen



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 - An Accessible Service
 - Universal Credit – Housing Element & Housing Benefit
 - Pre-Tenancy Checks and Tenancy Sign Up
 - Rent Arrears Management Procedures
 - Legal Action

1. Introduction

This Policy details how North Tyneside Council set new rents, review rents annually and the Authorities approach to income management. It applies to all housing including all social and affordable rent, garage tenancies and long lease for flats sold under the right to buy provisions. The Authority is responsible for calculating rents applicable to every Council home, using a formula based on the value of the home, average income for the area and Government guidelines. The higher the value of the property the higher the rent calculated, however, to protect tenants from large increases the Government caps the amount by which rent can increase in any one year.

Effective income management ensures that the Council can continue to deliver a good housing service, develop and maintain homes and help sustain viable tenancy arrangements by ensuring that all tenants receive the appropriate support and advice to enable them to deal with their finances.

2. Purpose

The purpose of the Rent Policy is to set out the overall approach to rent setting and income management, in doing so, helping maximise income and sustain tenancies. The Authorities housing income management service contributes to the financial strength of the Council so that it is able to provide financial resources to help deliver our strategic priorities.

3. Aims

The Aims of this policy are set out below:

- To encourage prompt and regular payments of rent to minimize arrears.
- To offer early intervention advice and support to those in need.
- To provide clear advice to officers on managing arrears, and to promote consistency whilst enabling officers to respond flexibly to cases within policy guidelines.
- To take proportionate action on rent arrears at an early stage.
- Provide help and assistance to tenants and leaseholders through partnership working with key agencies to maximise their incomes and manage their finances effectively.
- Develop highly skilled staff that are customer focussed and have access to a range of effective support for vulnerable people.
- Promote a culture of engagement and minimise arrears levels by providing a choice of convenient, accessible, cost-effective payment methods.
- To be effective in our communication, ensuring it is clear and accurate.
- To maintain good relationships with tenants and to adopt a sensitive, sympathetic and appropriate approach to recovering any arrears.
- Regularly seek to improve the service and performance in line with best practice, current legislation and our duty of care.

4. Legislation

The rent for social housing in North Tyneside is set annually by Cabinet based on Government guidelines included in the 2020 Regulator of Social Housing Rent Standard, and on relevant sections of previous legislation, namely:

- Housing Act 1985
- Local Government and Housing Act 1989
- Housing and Regeneration Act 2008
- Localism Act 2011
- Secondary legislation under the above acts
- Welfare Reform and Work Act 2017
- The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020
- Mental Health Act 1983
- Human Rights Act 1998
- Mental Capacity Act 2005
- Equality Act 2010
- Care Act 2014 (Safeguarding)

5. Equality and Diversity

North Tyneside Council is committed to the principles of equality and diversity. Our Rent Policy seeks to:

- Achieve its aim that North Tyneside is a place where people feel safe and no one experiences discrimination or disadvantage because of their characteristics, background or personal circumstances.
- Ensure our service is responsive and meets the needs of all our customers.
- This Policy has been subject to an equality and impact assessment.

6. Review

This Rent Policy will be reviewed every three years, or as a result of changes in legislation and/or regulation or in line with business needs. The Housing Service Rent Procedures will be reviewed in line with reviewed Policy.

7. Policy Scope

<p>Income Collection with Care</p>	<p>How we collect our rent is key to helping our tenants sustain their tenancies and provide the services to tenants that are expected:</p> <p>Avoiding potential direct and indirect discrimination by being aware of mental health impacts on:</p> <ul style="list-style-type: none"> • Ability to work. • Ability to make responsible decisions during manic episodes. • Ability to engage with communication methods and processes used.
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	<p>In order to promote financial inclusion, we will:</p> <ul style="list-style-type: none"> • Provide advice on benefits, and act as a gateway to more specialised support and advice such as debt counselling, financial advice and sources of finance such as credit unions. • Publicise the availability of welfare benefits through posters, advice leaflets etc. • Provide tenants with an application form to apply for housing and council tax benefit. • Keep tenants informed of any significant changes in Universal Credit, Housing Benefit and other benefits. • Carry out benefit checks for all tenants in arrears to help tenants maximise their income. • Provide a welfare support service for tenants or refer tenants to external agencies. • Run periodic benefit campaigns with other agencies such as the Housing Benefit Service, Citizens Advice Bureau and the Department of Work and Pensions.
<p>Rent Charges</p>	<p>The weekly rent collected by North Tyneside is used to pay for a range of services provided, to manage and maintain the Council stock and to help sustain viable tenancy arrangements. The tenant's responsibilities in relation to paying rent are set out in their tenancy agreement and are outlined in the tenancy handbook.</p> <ul style="list-style-type: none"> • The basic rent for each dwelling is calculated in line with the Government's national rent formula and guidelines. • Rents are reviewed on an annual basis. Tenants are given four weeks written notice in advance of any implementation date of the annual rent increase and information is provided regarding changes to housing benefit. • Tenants in receipt of Universal Credit are advised to contact the Department for Work and Pensions (DWP) to inform them of changes to their rent level. • Rent account statements are sent to tenants at quarterly intervals. Individual "one off" statements will be produced at the request of the tenant. • Tenants pay rent equally over 52 weeks.

	<ul style="list-style-type: none"> • There are 3 main elements of a weekly rent charge that could be included in a typical bill: <ul style="list-style-type: none"> ○ Net Social Rent – the basic social rent charge based on Government guidelines ○ Service Charges – usually levied for shared services in a building / estate such as communal lighting or heating, cleaning, concierge services etc ○ Water Rates – all tenants are required to pay water rates and the authority collects water rates on behalf of the local water company Northumbrian Water. • There are a small number of Council homes that have been built using Government grants as part of the Affordable Homes Grant programme. In these instances, it is usually a requirement of accepting the grant that the Authority charges Affordable Rents on those properties. Affordable Rent usually means a rental charge at 80% of the current rates being charged for similar properties in the private rented sector, known as market rents. In most cases this will be at a rate between Social Rent and Market Rent.
<p>Leasehold Service Charges</p>	<ul style="list-style-type: none"> • Leaseholders pay an annual service charge, which represents the cost of services provided to them. These charges are subject to an annual audit. • Leaseholders receive an invoice and statement giving a transparent and effectively communicated breakdown of the cost on an annual basis.
<p>Garage Charges</p>	<ul style="list-style-type: none"> • VAT is charged on all garages where the licence holder is not a council tenant, VAT will also be charged if more than one garage is let. • When a council tenant buys their home from the local authority but continues to rent their garage, the authority ceases to be the landlord in respect of the home and VAT becomes chargeable on the garage rental. • If, however, a council tenant buys a flat under a leasehold agreement (as opposed to freehold) and pays ground rent, the Council is still the landlord and therefore VAT is not due on the garage rental. • Garage rents are reviewed on an annual basis.

	<ul style="list-style-type: none"> • The recovery of garage arrears is based on a staged escalation process, up to and including the termination of the licence of the garage.
<p>An Accessible Service</p>	<ul style="list-style-type: none"> • To maximise income collection we support tenants, former tenants and leaseholders to pay their rent, service charges and other housing debts by providing easy access to cost effective methods of payment. • We support tenants to find the best payment method for their circumstances. • The following payment options are available: <ul style="list-style-type: none"> ○ Direct Debit ○ Pay Point and Post Office outlets ○ Online ○ In person using credit or debit card at Customer Service Centres (using payment machines) ○ By Telephone ○ Direct payment from wages for employees ○ Direct payments from the Department of Work and Pensions in certain circumstances. • We will actively encourage Direct Debit as this is the most cost-effective method of payment and it promotes regular payment.
<p>Universal Credit – Housing Element & Housing Benefit</p>	<ul style="list-style-type: none"> • Effective liaison with the Housing Benefit Service and the Department of Work and Pensions is in place, this helps towards the prevention and reduction of arrears. • Liaison with such services is carried out on a case-by-case basis covering arrangements, where appropriate for: <ul style="list-style-type: none"> ○ Sharing information ○ Submitting claims ○ Dealing with enquiries ○ Updates on the progress of claims ○ Prioritising serious arrears cases ○ Submitting information to the necessary service ○ Recovering overpayments. • Where rent arrears accrue and there is an outstanding benefit entitlement, we will provide appropriate advice and assistance to tenants to help resolve such situations, ensure their tenancy is sustained where possible (including utilising the

	<p>Alternative Payment Arrangements process), aim to minimise the financial detriment to the tenant and work with tenants and the DWP to maximise income.</p> <ul style="list-style-type: none"> • The Housing Benefit Regulations sets out the minimum evidence required to consider entitlement for Housing Benefit which the Benefit Service follows and staff in Housing are familiar with these requirements. • We have developed a partnership and referral agreement with the Citizens Advice Bureau CAB who can assist with debt counselling and money advice, help to negotiate payment agreements with creditors and provide income maximisation checks to ensure all benefit entitlement is taken up. It can also assist with appeals against housing benefit decisions, DWP decisions relating to Universal Credit and other welfare benefits and help tenants with financial literacy difficulties.
<p>Pre – Tenancy Checks and Tenancy Sign Up</p>	<ul style="list-style-type: none"> • All applicants undergo an affordability assessment including identifying any outstanding Housing Debt. Realistic predictions of running costs and expenses help applicants to identify the sustainability of a tenancy for themselves and get support in place pre tenancy. • All offers of accommodation are conditional upon the applicant continuing to meet the necessary criteria and qualification, up to the point of the signing of a Tenancy or Occupancy Agreement. • Tenancy Sustainment is key prior to the commencement of a tenancy with effective systems in place for clearing debts through support, signposting and identifying barriers. • Clear expectations are set and advice is provided for managing rent, to support tenants in understanding the importance of paying their rent, and the services available to support them with this, how to pay their rent and to make the required payment at the required time.
<p>Rent Arrears Management Procedures</p>	<ul style="list-style-type: none"> • We have a flexible and person-centred approach to the recovery of rent areas and a suite of procedures which can be utilised for individual circumstances. • Officers will work with the individual to find an affordable method of repayment.

<p>Legal Action</p>	<ul style="list-style-type: none"> • All tenants with rent arrears are offered the opportunity to be referred to the Citizens Advice Bureau for debt advice and supported through a range of tenancy support services and referrals that are available prior to taking legal proceedings. • We follow the Rent Arrears Pre-action Court Protocol with its increasing emphasis on negotiation not litigation, which is supported by our procedure documentation and a part of our national and legal requirement. • Legal action to recover rent arrears will commence when efforts to obtain regular payments fail and arrears continue to rise. Legal action is the last resort other than in exceptional circumstances in the arrear's recovery process. • The decision to request legal action to recover possession of the property will only be taken when all other appropriate means of arrears recovery have been exhausted. • Ultimately eviction will only be considered in exceptional circumstances where all alternatives have been tried and any potential vulnerable household members identified and protected. • The legal costs for taking a tenant to court for rent arrears are recovered through a sundry account paid at the same time as the rent and arrears or paid separately once the arrears have been cleared.
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