

Arun District Council

REPORT TO:	Housing and Wellbeing Committee – 18 June 2024
SUBJECT:	Tenant Support Fund – Service Charges
LEAD OFFICER:	Richard Tomkinson – Group Head of Housing, Wellbeing and Communities. Sasha Hawkins – Business Improvement Manager
LEAD MEMBER:	Councillor Carol Birch – Chair of Housing and Wellbeing Committee
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: This report supports the following areas of the corporate vision: <ul style="list-style-type: none">• Delivering the right homes in the right places• Support those in our community that need help, providing a safety net where necessary and working with people and organisations to meet different needs.• Ensure the existing housing stock in the district (private sector and council owned) is maintained to a high standard.	
DIRECTORATE POLICY CONTEXT: As a registered housing provider we must comply with the Policy Statement on Rents for Social Housing published by the Department for Levelling Up, Housing and Communities. This statement sets out that registered providers are expected to set reasonable and transparent service charges which reflect the service being provided to tenants. Tenants should be supplied with clear information on how service charges are set. In the case of social rent properties, providers are expected to identify service charges separately from the rent charge. Our proposed approach to service charging which is set out within our policy ensures compliance with the Policy Statement.	
FINANCIAL SUMMARY: The Proposed Tenant Support Fund for Service Charges will be funded by earmarked Revenue Contingency approved at Special Council 26 March 202 for the Financial Year 2025/26.	

1 PURPOSE OF REPORT

- 1.1 To seek approval for the establishment of a support fund for tenants not in receipt of housing-related benefits who are in scope of service charges for the first time as a result of the new Service Charge Policy and de-pooling exercise.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Housing and Wellbeing Committee:

- Approve the introduction of a tenant support fund (2025/26) in the amount of £50,000, to be met from unallocated contingency budget.
- Note that an in-year review will take place to determine whether to include the fund in future budget provision.
- Give delegated authority to the Group Head of Housing, Wellbeing and Communities to develop the detail of the scheme in consultation with the Chair of Housing & Wellbeing Committee.

3 EXECUTIVE SUMMARY

- 3.1 In June 2024, Housing & Wellbeing Committee approved the service charge policy and de-pooling of charges.
- 3.2 Service charges are due to be introduced in April 2025.
- 3.3 A significant percentage of tenants in scope of the introduction of service charges are in receipt of housing related benefits which will meet the full cost of charges in relation to the services they receive. However, a small cohort of 419 tenants will need to meet the charges from their household income. It is these tenants which would be eligible for support via the fund.

4 DETAIL

- 4.1 In June 2024, Housing & Wellbeing Committee approved the service charge policy and de-pooling of charges.
- 4.2 Detailed analysis of impact has shown that a small cohort of 419 households who are in scope of new services charges are not in receipt of housing related benefits and will therefore need to meet the new charges through household income.
- 4.3 To support these tenants with affordability concerns, it is intended to introduce a support fund in the value of £50,000 initially, which equates to just over 10% of increased income.
- 4.4 The fund will be met through unallocated contingency, with take up and impact being monitored closely and scope to increase the amount in the fund should this be required.
- 4.5 Charges range from 76p/week to a capped £10/week (for those who have never been charged previously) so the level of impact will vary considerably. Capping charges at £10/week has already effectively resulted in investment by the authority in the form of reduced income to the value of £69,000.
- 4.6 The support fund, application process and eligibility criteria will need to be developed in detail for introduction during 2025/26, along with an application fund, tracker (to monitor payments/awards) and case/task within Housing Cx. However some broad principles could include:

- Tenants not in receipt of housing benefit or universal credit will be eligible.
- Application will include completion of income and expenditure form and will be assessed by the Financial Inclusion Officer, who as well as running an affordability check will assess eligibility for benefits (as some tenants may become eligible as a result of the new charges).
- Multiple referral routes will be established (i.e. Service Charge Officer, Neighbourhood Housing Officer, Financial Inclusion Officer)
- Approval of support will include a period for which the support will be paid (e.g. 3 or 6 months).
- Only arrears which have resulted from service charges will be eligible for support.
- Any approved support will be paid direct to the recipient's rent account.
- A support fund tracker will be established and reviewed as part of monthly budget monitoring.
- An in-year review will be undertaken to determine whether to include the fund in budget for future years.

4.7 Our approach to de-pooling and our new service charge policy has been to set, administer and manage charges in a more transparent and fair way, as only those who receive additional services will pay for them. We have, however, always had a concern for affordability, as shown by our decision to cap the new charges in line with sector good practise. The introduction of this support fund is an extension of that principle and demonstrates consideration of a cohort of tenants whose household income will be most impacted by the new charges.

5 CONSULTATION

5.1 Full consultation was carried out with tenants as part of the implementation plan through a variety of methods including surveys, drop-in session and direct mailing.

6. OPTIONS / ALTERNATIVES CONSIDERED

6.1 Previous consideration was given to not introducing the service charge policy, however this was considered unviable as the Council needs to comply with the Policy Statement set by the Department of Levelling up Housing and Communities and separate out their rent and service charges.

6.2 The council also needs to ensure its services are charged in a fair and transparent manner. The Service Chare Policy provides the mechanism for this and the introduction of the support fund provides for those whose household income will be most impacted.

7. COMMENTS BY THE GROUP HEAD OF FINANCE/SECTION 151 OFFICER

7.1 Use of the fund shall be monitored in accordance with Quarterly budget reporting to Committee, the Tenant Support fund for future years will be reviewed in next years budget setting that commences September 2025.

8. RISK ASSESSMENT CONSIDERATIONS

8.1 There are no implications identified

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

9.1 There are no legal implications arising directly from this report.

10. HUMAN RESOURCES IMPACT

No impact identified

11. HEALTH & SAFETY IMPACT

11.1 No impact identified

12. PROPERTY & ESTATES IMPACT

12.1 The recommendations of this report have no impact on the Councils General Fund Portfolio or the delivery of Property, Estates, and Facilities functions.

13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

13.1 Completed as part of considerations to introduce the Service Charge Policy.

14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.1 No impact identified

15. CRIME AND DISORDER REDUCTION IMPACT

15.1 No impact identified

16. HUMAN RIGHTS IMPACT

16.1 There are no implications identified.

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1 There are no implications identified

CONTACT OFFICER:

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BACKGROUND DOCUMENTS:

Appendix 1 – Service charge policy