

AWICS Housing News

November 2017



Bramble Court at Brampton in Cumbria.

An extra care elderly scheme provided by Impact Housing Association. After completing this scheme, Impact Housing Association suspended all development of supported housing pending the completion of the government's funding review.

Contents:

Budget Preview	1
Funding Supported Housing; Policy Statement and Consultation	3
Housing Announcements: Help to Buy, Affordable Housing Programme & Social Rent	5
Homelessness Reduction Act: New Burdens Funding	7
Local Housing Companies	8
Housing Business Planning Assumptions and Uncertainties	9
Welfare Reform and Rent in Scotland	10
Service Charges at Denbighshire County Council	11
Editorial note, AWICS Surveys	12
Service Charges in Social Housing	13
Other AWICS Seminars, About AWICS	14
Advertisement – Infobase Cymru	15

Budget Preview

Philip Hammond, the Chancellor of the Exchequer, will unveil his next budget on Wednesday 22nd November 2017. However, the circumstances are not good. As Rob Whiteman, the Chief Executive of the Chartered Institute of Public Finance & Accountancy points out in the 'Local Government Chronicle':

"Interest rates are rising and we have a £1.8trillion national debt and the worst productivity growth since the second world war... Worse still.. some services (are) stretched to breaking point."

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The Institute for Fiscal Studies has also published an interesting report entitled: 'Autumn 2017 Budget: options for easing the squeeze' that considers options for the budget. In the context of a forecast reduction in productivity growth from 1.6% to 1.0%, a reluctance to increase taxes and under pressure to increase spending, the report suggests that the government will be forced to abandon its objective of balancing the budget!

Carl Emmerson, Deputy Director of the Institute for Fiscal Studies has told the BBC that:

"Public sector workers, the NHS, the prison service, schools and working-age benefit recipients, among others, would like more money... Does he allow higher borrowing to persist, does he add to that with more spending, or does he try to offset that with greater taxes? Given all the current pressures and uncertainties, and the policy action that these might require, it is perhaps time to admit that a firm commitment to running a budget surplus from the mid-2020s onwards is no longer sensible."

The Institute for Fiscal Studies calculates that the government deficit could more than double to £36billion in 2020/21 or even £70billion if productivity declines still further. It also predicts that 'austerity' will continue for most of the public sector.

However, the government has made no secret of the fact that the budget will contain measures that will be designed to increase house-building towards the 300,000 dwellings a year that the government now agrees are required. Indeed, there are reports that Sajid Javid, the Secretary of State for Communities & Local Government has been lobbying for a £50billion increase in his department's housing budgets. He gave an interesting interview to Andrew Marr on the BBC on 22nd October 2017. In it, he suggested a significant shift in government macro-economic policy by saying that a distinction should be drawn between borrowing to fund the revenue deficit and borrowing to fund investment. He said that:

"We are looking at new investments and there will be announcements, I'm sure, in the Budget covering housing... But what I want to do is make sure that we are using everything we have available to deal with this housing crisis, and where that means we can, for example, sensibly borrow more to invest in the infrastructure that leads to more housing and take advantage of some of the record low interest rates we have, I think we should absolutely consider that."

And, Lord Gary Porter (Conservative) Leader of South Holland District Council and Chair of the Local Government Association told reporters that he is hopeful that the government will raise the local authority housing 'borrowing cap' as part of the November budget.

In an interview on the Andrew Marr show on the BBC on 19th November 2017, Philip Hammond said that his Budget will set out how the government will build 300,000 new homes a year compared with the target of 1.5million homes over seven years that had been set previously. However, he said that there was no 'single magic bullet' to increase housing supply and the government would not simply 'pour money in'. His intention is to speed up developments where planning permission has been granted and give more help to small building firms.

In the housing and local government sectors, there is some hope (even an expectation) that the budget will include measures to increase the number of affordable and social homes that will be built by housing associations and local authorities through increases in social housing grant and the lifting of the 'borrowing cap' that limits the amount that local authorities can borrow to build new council houses.

Local authorities are hopeful that the government will make progress on their manifesto commitment to enter into bespoke deals with them in which central government will offer more resources and greater flexibilities (mainly around borrowing and the use of capital receipts) to councils in return for agreed targets for new house building.

Discussions are already taking place with Newark & Sherwood Homes, Sheffield City Council and Stoke City Council. Janet Sharpe, Director of Housing & Neighbourhoods at Sheffield City Council told 'Inside Housing' that:

"I am certainly optimistic. We've been working closely with the government about the Sheffield bespoke deal and we're hopeful of hearing something positive on this... We're ready to go whenever the government is."

However, the United Kingdom government's commitment to subsidising home-ownership remains strong. The Chartered Institute of Housing has recently pointed out that subsidies for home-ownership already account for 80% of government housing budgets; and Philip Hammond said that it was 'not acceptable' that young people find it so hard to buy a home, and promised to set out how the government would keep its 'pledge to the next generation'. On 'Peston on Sunday' on ITV he also emphasised that spending money on housing may not be the answer as it may simply increase house prices rather than housing supply – something that many analysts have also concluded!

I will watch the budget with interest, not least to find out what will be proposed for housing. I am not convinced that the budget will deliver what the housing and local government sectors are looking for, but all will be revealed soon! I intend to write a briefing paper on the budget and its implications for local government and housing. Any reader who would like to receive a copy should contact me at adrian.waite@awics.co.uk

Funding Supported Housing: Policy Statement and Consultation

The Government issued a policy statement and consultation on 'Funding Supported Housing' on 31st October 2017.

Supported housing is any housing scheme where accommodation is provided alongside care support or supervision to help people to live as independently as possible in the community.

Before the 2017 general election the government had decided to cap housing benefit at the level of the local housing allowance. This decision was especially significant for supported housing where the level of rent plus service charges is almost inevitably higher than the level of the local housing allowance. Consequently, the government proposed a new approach to the funding of supported housing based on housing benefit to fund core housing costs and a locally administered budget to fund housing support costs.

However, these proposals were criticised by many in the sector and by the Parliamentary Select Committees for Communities & Local Government and Work & Pensions. Neither were they fully developed at the time that the 2017 general election was held. This caused considerable uncertainty for providers of supported housing with the result that hardly any new supported housing is currently being developed and some supported housing has even been closed.

The policy statement and consultation were preceded by an announcement that housing benefit in supported housing (and in social housing in general) would no longer be capped at the level of the local housing allowance.

The government considers that there are three clear reasons for seeking to reform the funding of housing costs for supported housing:

- To secure supply now and in the future.
- To strengthen focus on outcomes, oversight and cost control.

- To ensure it works with the modernised welfare system.

The government has identified four key objectives in reforming the funding model:

- People-focused
- Funding certainty
- Flexible and deliverable.
- Value for Money

The policy statement abandons the proposals that were made in 2016 in favour of a new approach based on different funding arrangements for sheltered housing, short-term accommodation and long-term accommodation. These three categories of housing are defined as follows:

- Sheltered and extra care housing (usually designated for older people, but including some working age tenants);
- Short-term supported housing (for those in crisis such as those fleeing domestic violence and homeless people with support needs, or shorter term transitional help for those with substance misuse problems or vulnerable young people, such as care leavers); and
- Long-term housing (for those with long-term needs, such as people with learning or physical disabilities, or mental ill health).

There will also be local strategic planning and oversight through a local strategic plan, needs assessment, local partnerships, grant conditions, non-statutory guidance, a national statement of expectation and an important role for the regulator.

It is intended that these new funding regimes will come into effect from April 2020. The government considers that they are models that:

- Are fit for now and the future.
- Focus on outcomes, oversight and cost control.
- Work with the modernised welfare system.

Alongside the policy statement and consultation paper, the government also published a summary of the responses to the November 2016 consultation, independent reports of the task and finish groups and their response to the Joint Select Committee report.

The Government intends to follow-up these proposals with a Green Paper on Social Housing. The policy statement and consultation are available on the Department for Communities & Local Government website at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655990/Funding_supported_housing_-_policy_statement_and_consultation.pdf

This Policy Statement and Consultation on Funding Supported Housing has been broadly welcomed in the sector in that it is an important step towards ending the uncertainty surrounding the future funding of sheltered housing that has been caused by the government's welfare reforms and earlier announcements; and as it represents the abandonment of the government's proposals to cap housing benefit and the housing element of universal credit at the level of the local housing allowance, and to fund services in sheltered housing through a locally administered top-up grant.

However, the government does not address the question of how the funding and management of housing, adult social care and health could be better integrated.

The government proposes to introduce different funding mechanisms for sheltered housing, short-term supported housing and long-term supported housing.

In the case of sheltered housing there will be a 'Sheltered Rent' based on the existing rent formula plus a new element to cover service charges. It is not yet known how the service charges element will be calculated and this will be critical if the new system is to result in providers having the confidence to increase the provision of sheltered housing to meet increased need.

In the case of short-term supported housing, government will provide local authorities with a ring-fenced grant to fund all housing costs including rent and service charges. There are concerns that, as these will be short-term revenue grants, the system will not provide sufficient certainty for providers to commit to long-term investment in short-term supported housing; and that in time resources may be insufficient to meet needs and / or the ring-fence around the grant may be removed thus causing a contraction in the service.

In the case of long-term supported housing the government is proposing that the existing system based on housing benefit and the housing element of universal credit will be continued.

I have prepared a briefing paper that summarises the policy statement and consultation and the response to it from the sector and provides some commentary. Your copy can be freely downloaded from here: http://awics.co.uk/files/module_document_pdfs/funding_supported_housing_-_policy_statement_and_consultation_paper_-_briefing_paper.pdf

Housing Announcements – Help to Buy, Affordable Housing Programme and Social Rents

Theresa May, the Prime Minister of the United Kingdom, gave her 'keynote' speech at the Conservative Party Conference on 4th October 2017. She used the occasion to make several announcements about housing policy especially regarding 'Help to Buy', the affordable housing programme and social rents; sometimes drawing on earlier announcements made by colleagues. Further detail on some aspects was provided afterwards.

She told the Conservative Party conference that she wishes to renew the 'British Dream' and that the corner stone of this is to mend the 'broken' housing market. To this end, she has promised an extra £10billion for 'Help to Buy'; £2billion for the affordable housing budget, increasing it to £9.1billion; and has announced that from 2020 social rents will increase by the consumer prices index plus 1% each year. She said that councils and housing associations would be able to bid for grants from the affordable housing programme, and that this will include new homes for social rent and new council houses. She told the conference that:

"For 30 or 40 years we simply haven't built enough homes. As a result, prices have risen so much that the average home now costs almost 8 times average earnings. And that's been a disaster for young people in particular.

"I will dedicate my premiership to fixing this problem ... to restoring the British dream... We will encourage councils as well as housing associations to bid for this money ... And in those parts of the country where the need is greatest, allow homes to be built for social rent, well below market level... Getting government back into the business of building houses. A new generation of council houses to help fix our broken housing market."

Teresa May did not identify how the additional £10billion for 'Help to Buy' would be funded. The announcement followed analysis by the Chartered Institute of Housing that showed that 79% of the United Kingdom government's housing budget is already spent on subsidising home-ownership.

The announcement that social rents would be allowed to increase by the consumer prices index plus 1% each year from 2020 to 2025 returns to the policy that was announced in 2014 but reversed in 2015. I had expected the government to announce a lower increase and the announcement has been welcomed in the sector. However, this approach may create its own problems as discussed below.

Sajid Javid, the Secretary of State for Communities & Local Government announced a package of measures to protect the rights of tenants in the private rented sector. These included requiring landlords to register with an ombudsman scheme and all letting agents to be regulated as well as incentivising landlords to tenancies of at least twelve months. Some critics consider that these are timid measures and more needs to be done to protect tenants in the Private Rented Sector.

It was also confirmed that Universal Credit would continue to be rolled out.

These announcements represent a significant shift in government housing policy – and not only because of the new rhetoric on social housing. The government has decided to put an additional £26billion into housing - £14billion in increased social housing rents; £10billion in ‘Help to Buy’ and £2billion into the affordable housing programme. Of this, £4billion is to be funded by tenants who are not eligible for housing benefit and the remaining £22billion is to be funded by the taxpayer.

While the allocation of more resources to housing is to be welcomed there are several aspects of these announcements that are a cause for concern.

First, the government has not said how this increased expenditure is to be funded. Doubtless, this will become clearer when the budget is announced in November. However, unless Philip Hammond has discovered the ‘magic money tree’ the additional expenditure will either be funded from increased public borrowing or reductions in expenditure on other budgets. There are already serious concerns about the extent of government borrowing and fears have already been expressed that further restrictions on welfare entitlements may be forthcoming. Similarly, the government has not said what it intends the additional resources in the affordable housing programme to be spent on.

Second, it appears to me that the government’s approach shows a lack of strategic thinking and poor financial administration in that:

- There has been no evaluation of the effectiveness of the existing or proposed ‘Help to Buy’ scheme. Indeed, independent analysis suggests that ‘Help to Buy’ is counter-productive in that it has accelerated rather than reversed the decline in home ownership.
- There has been no impact assessment of the effect of increasing rents in real terms either on tenants who are not eligible for housing benefit but whose incomes are not expected to increase in real terms, or on tenants who are eligible for housing benefit but whose entitlements are being restricted by welfare reform.
- There has been no evaluation of exactly what benefits could be gained through providing housing associations and local authorities with increased resources through increased rents.
- There has been no assessment of whether (if the objective is to increase the supply of housing – which is itself not clear), it would be more effective to allocate increased resources to the affordable housing programme or to provide them to housing associations and local authorities through housing benefit and increased rents. Neither has there been any consideration of the potential impact of abolishing or increasing the ‘borrowing cap’ or the localisation of capital receipts in the local authority sector.
- There has been no consideration of ‘value for money’.

I would suggest that the government should take a step back; gather and evaluate some evidence; do some strategic thinking and then give its housing policies some further consideration. More specifically, I would recommend that they consider the following options:

- Replacing 'Help to Buy' with an alternative approach to promoting home ownership.
- Increasing the affordable homes programme to significantly more than £9.1 billion and re-focusing it on social housing.
- Increasing social rents by no more than increases in the incomes of people in the lowest quartile.
- Empowering local authorities to deliver more new homes through the abolition of the 'borrowing cap' and the localisation of capital receipts.
- Reviewing the 'Right to Buy' scheme to ensure that homes that are sold are always replaced.

I have prepared a briefing paper on these announcements that focuses on 'Help to Buy', the affordable housing programme and social rents. It outlines the government's policy, the response of the sector and provides some commentary and conclusions. Your copy can be freely downloaded from here: http://awics.co.uk/files/module_document_pdfs/housing_announcements_-_briefing_paper.pdf

Homelessness Reduction Act – New Burdens Funding

The Department for Communities & Local Government issued its guidance on new burdens funding for the Homelessness Reduction Act on 16th October 2017. This included information on the new burdens funding local authorities have been allocated to implement the Homelessness Reduction Act and consists of three documents:

- New Burdens Funding
- New Burdens Assessment
- New Burdens Distribution – Methodology Notes

The government states that it is committed to preventing and reducing homelessness; and that is why they are implementing the most ambitious legislative reform in decades, the Homelessness Reduction Act, that will commence on 1st April 2018.

The government will provide £72.7 million to local authorities to meet the new burdens costs associated with the additional duties contained within the Act over the course of the Spending Review. This is £11.7 million more than had previously been estimated. The government anticipates that the new duties to prevent homelessness will lead to savings for local authorities thereafter.

The local authority allocations cover 2017/18, 2018/19 and 2019/20. The new burdens assessment explains how the government calculated the overall funding and the methodology note explains how the funding is distributed between local authorities.

At the same time the Department for Communities & Local Government published the draft Homelessness code of guidance for local authorities that is out for consultation until December 2017.

The Homelessness Reduction Act has been widely welcomed in the sector and the government has accepted that it places new burdens on local authorities that will require additional funding.

The government has now announced its proposals. An additional £72.7million is to be provided to councils over a three-year period based on the government's assessment of the additional costs of the scheme nationally and on a formula to allocate it between authorities based on existing levels of expenditure and homelessness statistics. The largest share of the funding will be provided to London and £25.0million will be provided before the Homelessness Reduction Act comes into effect.

However, London Councils has calculated that the additional funding provided will only meet 39% of the expected additional costs. If their calculations are correct, most of the additional costs of the Homelessness Reduction Act will fall on local council tax payers.

Meanwhile, two interesting reports on Housing, Homelessness and Welfare have been published:

First, Sheffield University has produced a report for the Chartered Institute of Housing entitled 'Tackling Homelessness Together'. This report reveals that half of all housing associations admit they are reluctant to house tenants who claim housing benefit because of welfare reforms, and that local authorities state that 60% of applicants who are on benefits are affected. Consequently, tenants on housing benefit are being denied social housing tenancies and instead are being housed in the private rented sector or temporary accommodation at considerable cost.

Second, the Association of Retained Council Housing and Vivid Housing Association have sponsored a report, written by the Chartered Institute of Housing and entitled 'Building Bridges' that calls for closer relationships between councils and housing associations. It calls for housing associations and local authorities to work more closely on homelessness, including through policies for allocations and lettings and collecting combined data on rough sleeping and complains that:

"In many areas, it has become difficult to balance the need of local authorities to accommodate the most vulnerable and lowest-income households with the needs of housing associations to limit the risk that applicants cannot pay affordable rent and to reach new customer groups who can afford low-cost homeownership."

Both reports have a similar message about how welfare reform is preventing local authorities and housing associations from addressing housing and homelessness issues adequately.

I have prepared a briefing paper that summarises this government statement and the response to it from the sector and provides some commentary. Your copy can be freely downloaded from here: http://awics.co.uk/files/module_document_pdfs/homelessness_reduction_act_-_new_burdens_funding_-_briefing_paper.pdf

Local Housing Companies

Local housing companies are independent arms-length commercial organisations wholly or partly owned by councils. They can develop, buy and manage properties within and outside of a local authority area. The homes they provide sit outside of the local government housing financing system and are not subject to the Housing Act and most of the social / affordable housing regulations. Over the past few years the number of companies has increased among councils across the whole of England.

Recent research by the Smith Institute has found that:

- Local Housing Companies offer councils a ‘triple dividend’ in the form of much needed extra housing, a greater stewardship role in place-shaping and a financial return to the council.
- There are now probably as many as 150 Local Housing Companies in England, most formed in the past few years. On the current trend, this could increase to 200 by 2020 – covering just over half of all councils in England.
- Local Housing Companies have been established by all kinds of councils, across the size spectrum, including, in some cases, with participation by counties. The largest concentrations are in London and the South East.
- Most Local Housing Companies have modest ambitions to build (averaging around fifty units a year), although there are larger housing companies in urban areas with major build programmes.
- Collectively Local Housing Companies could increase completions over time from 2,000 homes a year to 10,000-15,000 homes each year by 2022, with perhaps a quarter of the total in London.
- Around 30%-40% of new Local Housing Company homes are likely to be ‘affordable’, with a minority at the equivalent of social rented levels.
- Councils are attracted to Local Housing Companies because they want more control and influence, and greater freedoms and flexibilities (especially over rents, borrowing and the Right to Buy).
- Local Housing Companies can generate income and cross-subsidise new private affordable and sub-market housing at social rents.

Local Housing Companies provide a mix of housing tenures, with the focus on renting (at equivalent affordable rent and market rent levels) and to a lesser extent at social rented levels. Some Local Housing Companies provide homes for sale and to meet specialist housing needs and several are involved in estate renewal and regeneration schemes. Most Local Housing Companies are wholly owned by the council, that typically provides loan finance and land. Most are governed by a mix of Members and officers and partly staffed by the council and external consultants. A few Local Housing Companies are multi-council, and some are subsidiaries of a council-owned regeneration or property company. Some of the larger Local Housing Companies have attracted private finance and established ‘revolving investment’ funds.

Most councils expect their Local Housing Company to generate a profit, that can be re-invested into the housing company. Besides income from rents and sales, Local Housing Companies attract funds from the New Homes Bonus, additional council tax, and planning gain. Councils are also generating income from ‘on-lending’ to the Local Housing Company (borrowing long term at below market rates from the Public Works Loan Board and on-lending at a market-rate premium). Councils claim that Local Housing Companies are there for the long term and are more resilient to market and financial risk than private developers and that the Local Housing Company can ‘flip tenures’ and defer dividend payments if needs be.

Housing Business Planning Assumptions and Uncertainties

In 2011, the Chartered Institute of Public Finance & Accountancy advised that:

“The real power of self-financing develops over the medium to longer term as the surpluses increase due to real terms rent increases outstripping inflation on costs. The revenue surpluses... are the used to address investment needs and service debt.”

However, the increasing surpluses have not materialised, mainly because of the policy of reducing rents in cash terms by 1% a year between 2016 and 2019. Furthermore, the certainty that self-financing was meant to introduce to facilitate long-term planning has not occurred either.

The new uncertain environment requires a different approach to business planning. In the past, it was usual to produce a single strategic plan and financial forecast that represented what the Council expected would happen. This is no longer sufficient. There is a need to treat this business plan as just one of a number of possible scenarios. There is a need to stress test this base business plan to establish how it would respond to changed assumptions; and then to develop contingency plans to address any issues that arise. To date, this approach has been developed further in housing associations than in local authorities with the Homes & Communities Agency promoting 'stress testing' through 'Regulating the Standards'.

Key uncertainties about which assumptions need to be made include: Inflation, Dwelling Rents, Service Charges, Voids and Bad Debts, Non-Dwelling Rents, Other Income, Management Costs, Repairs and Maintenance, Efficiency Gains, Capital Financing Costs, Stock Levels, Capital Programmes, Prudential Borrowing, Capital Receipts, Government Grants and Contributions, Revenue Contributions and the Major Repairs Reserve.

I have prepared a briefing paper that examines the assumptions that local authorities can make surrounding the key uncertainties that affect business planning. Some of the discussion is also relevant to housing associations. Your copy can be freely downloaded from here: http://awics.co.uk/files/module_document_pdfs/housing_business_planning_assumptions_and_uncertainties_-_briefing_paper.pdf

Welfare Reform and Rent in Scotland

A joint report by Shelter Scotland and the Scottish Federation of Housing Associations entitled 'First Month's Rent Flexibilities' has urged Housing associations to require less rent upfront to combat growing arrears under Universal Credit and the benefit cap.

The report found that growing numbers of tenants are struggling to pay their first month of rent upfront and concluded that housing associations should be flexible by requiring one week's rent instead, or alternatively that the Scottish Government should provide loans.

The report included the results of a poll of 27 housing associations that had shown that most of those asking for rent in advance asked for between a week and a month's worth. Several responses highlighted what the report called:

"The detrimental effects that delayed Universal Credit payments were having on tenants and landlords."

Sarah Boyack, Head of Public Affairs at the Scottish Federation of Housing Associations, told 'Inside Housing' that tenants were often in debt before their tenancy began, putting them and their landlords in a vulnerable position and that:

"This report highlights the detrimental effects that delayed Universal Credit payments are having on social landlords and their tenants."

Adam Lang, Head of Policy at Shelter Scotland said that:

"It's vital that homeless households, people on low incomes and people who can't access other forms of housing can find a home they can afford. Social housing provides that safety net. But one month's rent in advance for some households is simply not affordable."

“People starting their tenancy in arrears from which they may not recover is not in anyone’s interest, so flexible arrangements such as one week’s rent in advance or introducing repayable loans from the Scottish Government could make the difference between affording a home or not for many households.”

A Scottish Government spokesperson said that:

“We agree with concerns about the impact of welfare reform and the chaotic introduction of Universal Credit, especially for those making new claims or entering into new tenancies. But it is disappointing the report made no recommendations directed at the United Kingdom Government – the architect of the systems causing these issues. The United Kingdom Government have created this situation and it is their job to fix it. We hope the Scottish Federation of Housing Associations and Shelter will join our call for a pause in the roll out of Universal Credit to prevent further hardship. In the meantime, the report highlights several approaches that can continue to be taken by landlords. We encourage all landlords to consider their services in light of the difficulties their tenants may be facing.”

Service Charges at Denbighshire County Council

Denbighshire County Council completed the de-pooling of service charges in April 2015 and it formed part of the rent setting process for that year. When the Council finished the exercise, nearly 3,000 properties, both general needs & sheltered incurred a service charge in addition to their core rent.

The following charges were de-pooled from April 2015: Grounds Maintenance, Communal Area Cleaning, Communal Electricity, Communal Gas, Communal Water, Communal Door Entry Systems, Window Cleaning, Laundry Repair & Maintenance and Fire Safety.

The Council included general needs housing where the tenants receive a communal service. This ranges from grounds maintenance on housing estates to a number of the communal costs shown above incurred in housing blocks.

Exact costs of the administration of service charges were calculated and this resulted in a Management / Administration Charge to any tenant paying a service charge of 15% of their individual charge.

The Council worked tirelessly to ensure that the de-pooling exercise would be completed by the deadline originally issued by Welsh Government. This meant that all identified services were de-pooled in the first year and not phased in over a longer period.

Instead, through the working group set up including Members involvement and support, the Council agreed to minimise the impact on tenants by reducing their rent by the amount of service charge costs they were liable for. The Council then applied the rent increase for that year and then added the service charge costs back in. This was partly due to the greater number of services and higher service charge costs borne by those in Sheltered Housing.

Where the Council was able to identify site specific costs for cleaning, utilities, window cleaning and fire safety, the costs were apportioned to that site. Other costs were apportioned across the County to those properties benefitting from the delivery of that service.

It was further agreed that the Council would set the same charge for grounds maintenance to all tenants who benefitted in any way from the maintenance of communal open spaces as the variance was extreme between the many council properties with little communal land through to a few properties and much larger areas requiring upkeep. This figure was £1.50 per week.

The average service charge calculated at the commencement of de-pooling in 2015/16 was £1.99, amounting to costs identified to be recovered of £348,396.

I am grateful to Dave O'Brien, the Service Charges Officer at Denbighshire County Council for providing this information.

We will be holding a seminar on 'All You Want to Know about Service Charges in Social Housing in Wales' in Cardiff on 14th February 2018. For further information or to make a booking, please click here: <http://awics.co.uk/all-you-want-to-know-about-service-charges-in-social-housing-in-wales-2018>

Editorial Note

The AWICS Housing News is published by AWICS Limited. This edition was edited by Adrian Waite. Articles are written by Adrian Waite unless otherwise stated. However, the views expressed are not necessarily those of Adrian Waite or AWICS unless expressly stated.

AWICS Surveys

At AWICS we value feedback from our clients and from users of our website. This is for two reasons:

- We actively seek feedback from clients so that we can evaluate what we are doing now and use the information to improve our services in future.
- We like to have a dialogue with clients and users of our website so that we can understand their developing needs and provide services to meet them as part of a long-term commercial relationship.

We have therefore developed a series of surveys and questionnaires that can be found at: <http://awics.co.uk/questionnaires-and-feedback>

These include a survey about our seminars. Whether or not you have attended one of our seminars recently, I would be grateful if you could assist us by completing our short survey. It can be found at: <https://form.jotformeu.com/71926426584364>

All You Want to Know about Service Charges in Social Housing - Seminar

We are holding the first of our 2018 series of seminars on 'All You Want to Know about Service Charges in Social Housing' on 27th February 2018. These seminars are designed to give an introduction and overview to this important subject and are fully up to date with all developments.

Service charges are an integral part of landlords' work in financing value for money services and sustaining customer satisfaction. They have always been relatively complex but with increased financial challenges and legal and financial complexity there is an increased need to understand how service charging works.

Housing Associations have traditionally levied service charges with most local authorities in England introducing them in the 'noughties'. Financial constraints and proposals for the future funding of supported housing are leading many local authorities and housing associations to look at reviewing their approach to service charges. The rolling out of Universal Credit is having an impact on benefit entitlement for service charges.

According to the Homes & Communities Agency, Service Charges income in English housing associations fell short of service charge costs by £300million (20%) in 2016, a wider margin than was the case in 2015. This represents a significant cost that could be avoided if full recovery of service costs could be achieved as is regarded as best practice. The situation in local authorities is similar.

These seminars are suitable for people who are not experts in service charges, but who need to understand the basics and achieve an overview of what is going on. It is suitable for councillors, board members, housing managers, legal staff, finance staff, tenant representatives, members of the service charges team with limited experience and others who realise that an understanding of service charges can place them at an advantage!

What the Sessions Cover:

- How do Service Charges work in Housing Associations and Local Authorities and for Leaseholders and Tenants?
- How are service charges calculated?
- How to de-pool service charges?
- When are service charges eligible for housing benefit / universal credit?
- Service Charges in Supported Housing
- Service Charge issues and how to ensure excellent customer service?

The sessions are accompanied by a very useful 100-page book that is designed for reference after the session entitled: "All You Want to Know about Service Charges in Social Housing 2018"

The cost of this seminar is £250 plus VAT making a total of £300. **However, there is a £20 discount for people who book a month or more in advance making the cost £230 plus VAT making a total of £276.**

Venues and Dates:

- **London:** Novotel Hotel, Waterloo - 27th February 2018

For further information or to make a booking, please click here: <http://awics.co.uk/all-you-want-to-know-about-service-charges-in-social-housing-2018>

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We are also holding a Welsh version of this seminar in Cardiff on 14th February 2018. For further information or to make a booking, please click here: <http://awics.co.uk/all-you-want-to-know-about-service-charges-in-social-housing-in-wales-2018>

Other AWICS Seminars

Our next seminar is as follows:

- All You Want to Know about Local Authority Housing Finance
 - London – 13th March 2018

Information about all our seminars can be found at: <http://awics.co.uk/seminars-2018>

Feedback that we have received at our seminars can be found at: <http://awics.co.uk/course-feedback>

About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly. Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about our services and us please visit our website at www.awics.co.uk or contact Adrian Waite at Adrian.waite@awics.co.uk. Services that we offer include:

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- Interim Management – <http://www.awics.co.uk/interimmanagement.asp>
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- Webinars - <http://www.awics.co.uk/webinars.asp>
- Independent Residents' Advice – <http://www.awics.co.uk/IndependentTenantAdvice.asp>
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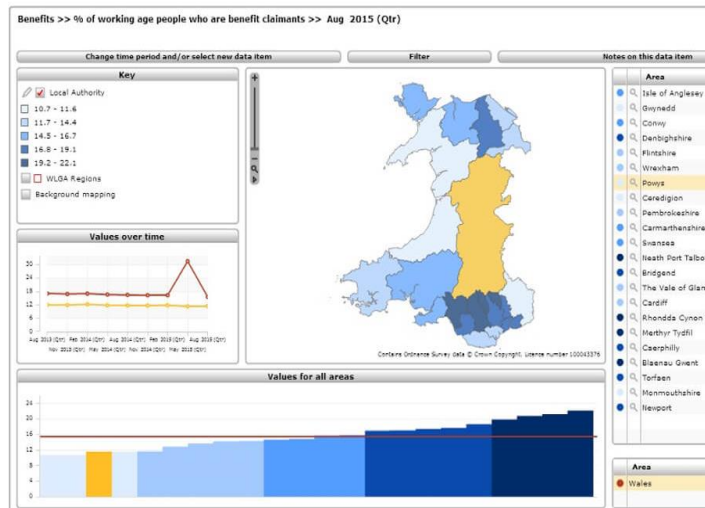
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