

Introduction to Local Authority Housing Finance (Revenue)

September 2022



Council Flats at Edmonton in the London Borough of Enfield.

Introduction

This briefing paper contains an introduction and overview of the revenue aspects of local authority housing finance.

The difference between a Local Authority Housing Revenue Account and General Fund

A local authority must keep a 'Housing Revenue Account'. This records revenue income and expenditure in relation to council houses and providing services to tenants, such as rents and repairs. Any expenditure or income not to do with council houses and providing services to tenants is recorded in the authority's general fund.

The General Fund finances services provided by a Council to the general community such as Education, Social Services, Highways, Environmental and Leisure Services. Some of this expenditure is met by income from fees and charges or specific government grants. General Fund net expenditure is met in the main from Council Tax, Revenue Support Grant (a Government Grant) and National Non-Domestic Rates.

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While the 'housing ring fence' prevents an authority from transferring resources between the Housing Revenue Account and the General Fund, there is nothing to stop an authority transferring resources between Housing General Fund and other General Fund Services.

Housing Revenue Account

The Housing Revenue Account records expenditure and income relating to council houses and the provision of services to tenants. This includes management and the repair and maintenance of stock and the rent and income from other sources. Until 2011/12 it also included housing subsidy.

The Local Government and Housing Act of 1989 came into force on 1st April 1990. This defined the transactions that should be recorded in the Housing Revenue Account. The legal position is set out in Part VI of the Local Government and Housing Act 1989 that requires local authorities to:

- Prepare a Housing Revenue Account showing certain debits (costs) and credits (income) and make it available to the public.
- Keep the budget under review.
- Take all reasonable practical steps to avoid a deficit on the account.

Authorities maintain Housing Revenue Account balances – made up of surpluses that have been carried forward from previous years. An authority can make a deficit in a year but cannot make a cumulative deficit. The Act specifies what a local authority can charge to its Housing Revenue Account and what income can be credited there. This requirement creates the 'ring fence'.

The presentation of the Housing Revenue Account has undergone many changes since it was first introduced in 1990. A summarised version of a Housing Revenue Account is shown below:

| | £million |
|---|---------------|
| <u>Housing Revenue Account</u> | |
| Supervision & Management | 21.4 |
| Repairs & Maintenance | 12.9 |
| Rents, rates, taxes and other charges | 0.2 |
| Depreciation | 14.3 |
| Impairment | 44.1 |
| Increased allowance for bad debts | <u>0.3</u> |
| Total expenditure | 93.3 |
| Dwelling rents (gross) | 55.0 Cr |
| Non-dwelling rents (gross) | 0.6 Cr |
| Charges for services and facilities | 6.8 Cr |
| Contributions towards expenditure | <u>0.6 Cr</u> |
| Total Income | 63.0 Cr |
| Net cost of HRA services as included in the whole authority Comprehensive Income & Expenditure account | <u>30.3</u> |
| HRA share of Corporate & Democratic core | 0.3 |
| Net Cost of HRA services | <u>30.6</u> |

| | £million |
|--|----------------|
| Gain on sale of fixed assets | 2.8 Cr |
| Pooling payments regarding right to buy disposals | 1.1 |
| Interest payable and similar charges | 6.7 |
| Investment properties (income, expenditure, changes in value) | 2.9 Cr |
| Capital grants and contributions receivable | <u>15.8 Cr</u> |
| Deficit for the year on HRA services | <u>16.9</u> |
| <u>Statement of Movement on the Housing Revenue Account Balance</u> | |
| Balance at end of the previous year | 13.9 Cr |
| Deficit for the year on the Housing Revenue Account | 16.9 |
| Adjustment between accounting basis and funding basis | 15.7 Cr |
| Transfer from earmarked reserves | <u>0.2 Cr</u> |
| Balance at the end of the current year | <u>12.9 Cr</u> |
| <u>Adjustment between accounting basis and funding basis</u> | |
| Reversal of Impairment charges | 44.1 Cr |
| Reversal of revaluation of investment properties | 0.7 |
| Reversal of gain on sale of assets | 2.8 |
| HRA share of contributions from pension reserves | 0.1 Cr |
| Capital expenditure funded by HRA | 10.3 |
| Transfer to capital grants unapplied account | 15.8 |
| Transfer from capital receipts reserve | <u>1.1 Cr</u> |
| Total | <u>15.7 Cr</u> |

The following notes describe what these items contain in more detail.

Expenditure

Supervision and Management

Supervision and Management costs are sometimes divided into general expenses and special expenses.

General Expenses refer to costs relating to the whole housing stock or all tenants. It includes rent collectors, costs of letting properties, most of the management of the Housing Department, computer costs and support costs such as accountancy and legal.

Special expenses apply to only some of the tenants. They include cleaning communal areas of flats and maintenance of open spaces. The government is encouraging local authorities to make a service charge to recover some or all of this expenditure. Support costs relating to sheltered accommodation have been financed by Supporting People Grant from 2003/04 and since then have usually been accounted for in the general fund.

Repairs and Maintenance

This includes the cost of maintaining the Council's housing stock including the management of the maintenance function. 'Maintenance' includes repainting, responsive repairs and planned maintenance. It does not include major repairs - for example, replacement bathrooms, electrical rewiring or re-roofing.

Rents, Rates, Taxes and other charges

This includes rents, rates, leases and Council Tax paid in respect of empty council houses waiting to be re-let or for property used to provide services to tenants.

Depreciation

Depreciation represents the reduction in the value of assets over time. Until 2011/12 it was not a real cost to the local authority as it was received as part of housing subsidy and was paid into a 'Major Repairs Account'. With self-financing depreciation may become a real cost but there are transitional arrangements in place. The calculation of Depreciation, the 'Major Repairs Allowance' and the operation of the 'Major Repairs Reserve' are considered below.

Impairment

Impairment is like depreciation in that it involves the writing down of the value of assets. However, whereas depreciation is the planned writing down of assets over their expected lives, impairment is where an asset is suddenly reduced in value following an unexpected event such as the discovery of contaminated land.

Provision for Bad or Doubtful Debts

Local authorities are usually owed significant amounts in arrears of rent or other income. Sometimes this income is uncollectible and must be written off. It is good accounting practice to make a provision for such bad or doubtful debts.

Income

Dwelling Rents (gross)

This includes rents collected from the letting of council housing.

Non-dwelling Rents (gross)

This includes rents collected from garages and shops on council estates.

Charges for Services and Facilities

This includes any other charges made, including heating, cleaning, welfare services and payments by leaseholders. Leaseholders are ex-tenants who have bought their council flat on a leasehold basis.

Contributions towards Expenditure

Where benefits or amenities are shared by the whole community the General Fund contributes towards the cost. This includes payments from social services authorities. Contributions towards expenditure also include contributions from leaseholders for rechargeable repairs.

Operating Expenditure

Corporate & Democratic Core

This is the housing revenue account's share of the Council's corporate and democratic core that includes the costs of the Chief Executive and civic functions.

Gain on sale of fixed assets

If fixed assets such as land or buildings are sold at a higher cost than their valuation on the balance sheet, then the difference is shown as a gain on the sale of fixed assets. This entry is then 'reversed out' in the adjustments between the funding basis and the accounting basis (see below).

Pooling payments in respect of right to buy disposals

When the Council disposes of a dwelling under the 'right to buy' it must pay a proportion of the proceeds to the government. This entry is 'reversed out' in the transfers to and from reserves (see below).

Interest Payable

This is interest that the Council pays on long-term loans that it has taken out to fund investment in the construction, acquisition, improvement or major maintenance of council housing or other capital assets.

Investment properties

Interest can be received by the Housing Revenue Account from several sources including interest on capital receipts, interest on mortgages in respect of sold council houses and other interest receivable. This council also holds some properties as investments. The expenditure and income connected with them and any adjustments to their capital value are also shown here.

Capital Grants and Contributions

These are capital grants from government or contributions from partners such as developers that are credited to the housing revenue account.

Movement on the Housing Revenue Account Balance

This statement shows how the balance on the housing revenue account has increased during the year due to the surplus on the housing revenue account, adjustment between the funding and accounting basis (see below) and transfers to and from reserves.

Adjustment between Accounting Basis and funding basis

When a local authority prepares accounts, it is pursuing two slightly conflicting objectives. One is to prepare accounts in accordance with accounting concepts to show a 'true and fair' view of whether they are consuming or accumulating assets (or making a surplus or a deficit) and the other is to comply with local government finance legislation that requires them to take account of some cash transactions that would not usually be accounted for in an income and expenditure account and to ignore some transactions that accountants would usually show because they do not affect cash.

In this case the following adjustments are made:

- Reversal of impairment charges – the charges shown in the income & expenditure account (see above) are reversed out here.
- Reversal of revaluation of investment properties – the ‘credit’ taken from revaluing investment properties is reversed out here.
- Reversal of gain on sale of fixed assets – the ‘credit’ taken from the gain on the sale of fixed assets is reversed out here.
- The Housing Revenue Account share of the contributions to the council’s pensions reserve is credited here.
- Capital expenditure funded by the housing revenue account – the council has used £10.3million of its revenue money to fund capital expenditure on housing revenue account dwellings. This is debited here.
- Transfer to capital grants unapplied account – the capital grants that the Council has received (see above) have yet to be applied so are transferred to the capital grants unapplied account here.
- Transfer from capital receipts reserve equal to amount payable to housing capital receipts pool – the expenditure on pooling payments on right to buy disposals (see above) is reversed out here.

Inflation

Recent years have seen housing management and maintenance costs increase at a faster rate than the general level of inflation. The following table shows the price increases for housing repair and maintenance and for new work for housing compared with the consumer prices index. It is expected that construction prices will continue to increase more rapidly than the consumer prices index:

| | Consumer Prices Index | Repair & Maintenance | New Work Housing |
|------------------|-----------------------|----------------------|------------------|
| September 2017 | 2.8% | 1.8% | 5.0% |
| September 2018 | 2.2% | 1.6% | 2.4% |
| September 2019 | 1.7% | 1.3% | 3.7% |
| September 2020 | 0.7% | 0.8% | 0.4% |
| September 2021 | 2.9% | 4.0% | 7.5% |
| June 2022 | 8.2% | 6.9% | 11.1% |
| Average increase | 3.1% | 2.7% | 5.0% |

Construction costs are currently increasing at an annual rate about 2.9% above the general level of inflation and have increased at an average annual rate of 1.9% more than the consumer prices index over the last five years. Management costs, that are mainly comprised of employees’ costs, have traditionally increased by more than general inflation but it is likely in the immediate future that pay increases in local government may not keep pace with inflation.

The Housing Revenue Account Ring-Fence

The principle that the housing revenue account should only fund costs associated with the Council being a landlord was firmly established in the 1989 local Government Act and Circular 8/95. However, there have always been complaints from people in the housing sector that some councils have interpreted the rules flexibly to increase the costs to the housing revenue account to the benefit of the general fund. Since 2010, with increasing pressures on local authority general fund budgets, there has been increasing criticism of the way that some local authorities account for their costs.

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Self-Financing Settlement

Communities & Local Government published a paper: 'Implementing Self-Financing for Council Housing' on 1st February 2011. This paper contained the government's proposals for the introduction of self-financing to the Housing Revenue Account and was based on papers issued by the former Labour government. The new system was introduced in April 2012. The previous housing subsidy system was abolished but most local authorities had to pay to leave the system leaving them with higher levels of debt. This was intended to ensure that after collecting all rent due and servicing the debt, each council would have an appropriate amount of money left to pay for management, maintenance and major repairs.

Rent Restructuring 2002 - 2015

Until 2002/03 local authorities had their own local policies for setting rents. Since then authorities have re-structured their rents in accordance with government guidance that was aimed at achieving a coherent structure of social rents between 2002 and 2015. Government guidance was for authorities to move all rents from the current levels to the formula in equal annual instalments from 2002 to 2015.

Since 2002, most rents for social housing have been set based on a formula set by Government. The formula creates a 'formula' rent for each property that is worked out based on a combination of the relative value of the property, relative local earnings levels and the size of the property. Landlords are expected to move the actual rent of a property to this formula rent, over time. Rents set based on the formula are known as 'social rents'.

Landlords have had flexibility to set rents up to 5% above the formula rent (or 10% in sheltered accommodation) although this discretion cannot be used to change average rents. There are also formula rent caps, set by property size that increase by the Retail Price Index plus 1% each year.

Annual changes in social rent levels have been based on policy set by Government that has evolved over the years as outlined below.

Formula rents are based 70% on local earnings and 30% on property values. There is also an element to reflect bedroom numbers.

The rent formula works in the same way in all local authority areas and is based on comparing local data with national averages. For example, a property in Southend with two bedrooms and valued at £45,303¹ would have attracted the following formula rent in 2000/01:

| | |
|---|-----------------------------|
| Average value of housing association properties: | £49,750 (1999 data is used) |
| Value of example property: | £45,303 (1999 data is used) |
| National average weekly earnings: | £316.40 |
| Essex average weekly earnings: | £325.90 |
| National average weekly housing association rent: | £54.62 (2000/01 figure) |

Weekly Rent = $((325.90/316.40) \times 54.62 \times 0.7 \times 1) = £39.38$

Plus $((45,303/49,750) \times 54.62 \times 0.3) = £14.92$

So Weekly Rent = $£39.38 + £14.92 = £54.30$

¹ The average value of a council house in Southend in 1999 was £45,303.

The rent in the illustration is at 2000/2001 values. The average rent is increased each year to reflect inflation and the national average real terms increase. There are only small rent changes on refurbishment. Improvements do not greatly increase rents, as the value element is only 30%. Rent increases for items including new central heating are only possible through use of the 5% discretion.

The 'bedroom weightings' are: Bed sits 0.8, One-bedroom 0.9, Two-bedroom and houses in multiple occupation 1.0, Three-bedroom 1.1, Four-bedroom 1.2, Five-bedroom 1.3, Six or more bedrooms 1.4.

It was assumed that rent restructuring would be completed in 2015/16 (other than for those authorities that had an exceptionally large gap between actual and formula rents in 2002 that would continue to increase their rents by the retail prices index plus 0.5% plus £2 a week until rent convergence was achieved). This assumption underpinned the self-financing settlement and was the basis of most local authority housing revenue account business plans. However, in practice this has not occurred as outlined below.

Affordable Rents

At the 2010 Spending Review, the then government introduced 'affordable rent'. Affordable rent allows landlords to let new properties and some existing vacant properties at up to 80% of local market rent (inclusive of service charges), as part of an agreement on new affordable housing supply. Affordable rents were expected to increase by up to the retail price index plus 0.5% annually under current policy. Where an affordable rent property is re-let, the expectation is that the rent is re-set, based on a new valuation, to ensure it remains at no more than 80% of market rent. This level of rent has traditionally been intended for low income people who cannot afford market rents especially in high value areas.

Rent Reductions

The social housing sector was surprised in July 2015 when the then government announced a significant change to social rent policy as part of the budget, as follows:

"The government will reduce rents in social housing in England by 1% a year for four years, requiring housing associations and local authorities to deliver efficiency savings, making better use of the £13billion annual subsidy they receive from the taxpayer. Rents in the social sector increased by 20% over the three years from 2010-11. This will allow social landlords to play their part in reducing the welfare bill. This will mean a 12% reduction in average rents by 2020/21 compared to current forecasts."

The Local Government Association and Chartered Institute of Housing calculated that the rent reductions cost local authorities a total of £2.6billion in lost revenue. They calculated that the measure would initially cost councils £234million in year one through lower rents in council homes. The amount lost increased to £508million in the second year, then to £795million in year three, and more than £1billion by 2019/20. The total of £2.6billion lost represents 60% of local government's total housing maintenance budget and is the equivalent of funding to build almost 19,000 new homes.

Rent Policy 2020-25

In October 2017 the government announced that increases in social housing rents would be limited to the Consumer Price Index plus 1% for five years from 2020.

The policy of increasing social rents at a higher rate than inflation that existed prior to 2016 assumed that tenants would be receiving real increases in their incomes. Consequently, a policy of increasing rents in real terms would result in rents increasing in line with tenants' incomes while also providing housing associations and local authorities with a buoyant income. The new policy will mark a return to real increases in rents at a time when it is expected that prices will increase more rapidly than incomes. This will be disadvantageous for tenants – especially those who are not eligible for housing benefit.

During 2022 there has been an increase in inflation with the increase in the consumer prices index reaching 10.1% in July 2022 and further increases expected. This means that the current national rent policy would see social rents increase by over 11% in April 2023. This would clearly create affordability issues for tenants who are not eligible for housing benefit and those who are affected by the total benefits cap and other restrictions on benefits. The Government has therefore proposed a cap of 3%, 5% or 7% on social rent increases and started a consultation on this in August 2022. The government favours a 5% cap and calculates that this would save up to £300 a year for tenants who are not on benefit. However, local authority and housing associations would still face inflationary pressures and a 5% rent cap would result in a loss of £1.3billion of income to landlords whose income would not keep pace with inflation forcing reductions in management, maintenance and development budgets.

However, there would also be a corresponding saving to the Department for Work & Pensions that would pay less in housing benefit & universal credit. Therefore, the main impact of the proposed rent cap would be a cut in housing budgets and a saving to the Department for Work & Pensions. Many in the housing sector have suggested that this saving should be used to increase the budget for supporting the affordable housing programme that helps to pay for the development of new affordable housing.

Service Charges

Service Charges can be made on tenants or leaseholders. Tenants would not pay for repairs & maintenance or capital costs as these are met by the landlord and paid for through rents. However, leaseholders do pay their share of these costs.

The Landlord and Tenant Act 1985 sets out the basic ground rules for service charges. It:

- Defines what is considered a service charge
- Sets out requirements for reasonableness and for prior consultation of leaseholders
- Defines a service charge as 'an amount payable by a tenant of a dwelling as part of or in addition to the rent which is payable directly or indirectly for services, repairs, maintenance, improvements or insurance or the landlord's costs of management and the whole or part of which varies or may vary according to the relevant costs'
- Provides that the items included are required to be reasonable.

Housing Benefit usually covers these communal charges. However, it does not cover charges for services to individual homes such as heating and hot water, lighting and water charges within a dwelling or TV licences. A tenant needs to pay for these separately through the service charge. Neither does housing benefit cover services of a personal nature such as cleaning nor services where the tenant can opt out of the service and therefore the charge.

Where a local authority has sold a flat under 'right to buy' legislation the new owner becomes a leaseholder and is obliged to pay service charges for services that continue to be received from the landlord such as maintenance of lifts and cleaning of communal areas. Capital costs that are recovered through service charges could include: Major Repairs to Buildings, Lift Replacements and Boiler Replacements.

Usually the lease simply provides for the landlord to recover their outlay for maintenance, repair and upkeep of the building, including management costs, from the leaseholders. The landlord is reimbursed for their expenditure but is not given the opportunity to make a profit from the management. Landlords may also collect charges for administration, insurance, ground rent or estate management.

The legislation defines the following principles that should be adopted in levying service charges:

- Charges must be based on actual costs incurred, and such costs must have been incurred reasonably;
- Charges may only be made if the services provided or works undertaken are of a reasonable standard; and
- Leaseholders must be billed or informed of the costs incurred and the intention to bill, within 18 months of costs being incurred.

Service charge payers must be consulted before the landlord commences capital works that will cost any leaseholder more than £250 or enters a long-term contract worth more than £100 for any leaseholder in any accounting year. Landlords must also issue leaseholders with a section twenty notice that includes an estimate of costs prior to the works starting.

During recent years several leaseholders took their landlords to the leasehold valuation tribunal to dispute service charges on the grounds that they were not properly consulted, the work was not necessary, the work was poor, or the costs were excessive. In most cases they were successful. The case involving the largest amount of money (£2million) concerned Westminster City Council and major repairs to a block of flats that were completed in 2010.

Historically, Council tenants have had their service charges included with their rents, but tenants of housing associations usually have their rents and service charges assessed separately. However, during recent years most councils have introduced service charges for tenants. Tenants do not pay service charges for capital costs as these are the costs of the landlord and are recovered through the rent, but often pay service charges for revenue costs that could include: Boiler Maintenance, Lift Maintenance, Heating, Lighting, Cleaning and Grounds Maintenance.

The government has decided that local authorities should have discretion in whether to implement service charges based on local circumstances. There is a broad definition of what could be classed as a service charge. The service charge can be based on actual costs per property or on a fixed charge to all affected properties. Many councils have decided to introduce service charges for tenants.

Housing Benefit and Welfare Reform

Housing Benefit is designed to give financial support to people who would otherwise have difficulty in affording a home. Tenants of local authorities, housing associations and private landlords on low incomes are eligible to apply for Housing Benefit and can receive a payment that meets either all or part of their housing costs. In some circumstances service charges are also eligible for housing benefit.

The amount of Housing Benefit payable depends on the circumstances of the claimant, and their housing costs. The Housing Benefit rules and regulations are complex. To be eligible to receive Housing Benefit, a person's income must be below a certain level and they must pay a reasonable level of rent regarding the needs of their household and the area in which they live (if the rent is too high it is not eligible for benefit). The level of savings held by the claimant is also considered.

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Housing Benefits that are available include rent allowances, rent rebates, non-housing revenue account rent rebates and the local housing allowance.

Rent Allowances and Rebates

Rent Allowances are available for housing association tenants while rent rebates are available for council tenants. Prior to April 2008 rent allowances were also available for private tenants but since then private tenants have been able to claim the local housing allowance. Rent allowances and rent rebates are governed by the Social Security Contributions and Benefits Act 1992, Social Security Administration Act 1992 and the Housing Benefit Regulations 2006.

Rent allowance and rent rebate claimants who are on income support, jobseeker's allowance (income based) and pension credit (guarantee or guarantee and savings credit) are eligible for full benefit. Partial benefit is paid to claimants whose income exceeds the threshold with the assumption made that 65% of 'excess income' is applied to pay the rent. There is also a capital threshold which means that people with savings of over £10,000 are not eligible for housing benefits.

Service charges are also eligible for rent allowances or rebates as long as they are related to the accommodation and must be paid under the tenancy.

Non-HRA Rent Rebates

Local authorities will sometimes provide temporary accommodation under homelessness legislation. In these cases, tenants will pay rent net of any rent rebate. These rent rebates are calculated in the same way as described above. Each year the Department for Work & Pensions establishes a 'cap' for each authority that represents a limit above which they reduce the amount of subsidy that they will contribute towards the cost of the benefits.

Local Housing Allowance

Local Housing Allowance was introduced under the Welfare Reform Act of 2007 and came into operation in April 2008. Since then it has replaced rent allowances for private sector tenants for all new claims and in instances where there is a change of circumstances in a rent allowance claim.

Discretionary Housing Payments

Councils have discretion to make discretionary housing payments to claimants who they consider are facing extreme hardship. The Department for Work & Pensions limits the amount that councils can spend under this scheme and makes a financial contribution. In 2010/11 the total that councils could spend nationally was £20million compared with the total cost of housing benefits of £19billion although the budget has recently been increased as described below.

Councils can top-up their discretionary payments budget using their own resources. Authorities that do this can see their grant increase as the amount of grant is partly dependent on recent levels of expenditure.

Housing Benefit Subsidy

Councils claim housing benefit subsidy from the Department for Work and Pensions. The sums involved are significant and, over time, have increased considerably. Housing benefit costs are also difficult to predict and control both at local and national level.

The government funds 100% of rent rebates and rent allowances from subsidy. However, the cost of penalties for mistakes such as overpayments is met by the Council. Subsidy paid by the Department for Work & Pensions is adjusted if average actual rent exceeds the limit rent. The Housing Revenue Account makes the shortfall in the General Fund good. The government also meets the cost of administering Housing Benefit.

Welfare Reform Act 2012

The principal changes introduced by the Act relate to the under-occupation penalty, total benefits cap, universal credit and local housing allowance.

Under-Occupation Penalty

Under occupying social housing tenants of working age will face a benefit deduction of up to 14% of their housing credit if they have one spare room and up to 25% for two spare rooms. This is known as the under-occupation penalty. The government estimates that this measure will save £490million a year. The measure came into effect in April 2013. The government considers that the policy will help to reduce housing benefit expenditure and will encourage tenants to either seek work or move thus freeing up social homes. However, critics describe the measure as a 'bedroom tax' that will adversely affect 670,000 social tenants.

Total Benefits Cap

The total benefits cap is a cap on all benefits receivable by a household, initially set at £500 a week for couples and single parent households and £350 a week for single people. There are exclusions for some household types including war widows and those receiving working tax credits. It is estimated that 67,000 claimants were affected and that they have lost an average of £83 a week.

Universal Credit

Universal Credit combines several means-tested benefits, tax credits and housing benefit into one monthly payment paid directly to tenants. It is administered by a large information technology system using real time tax information to update calculations of claimants' entitlements.

The government considers that universal credit simplifies benefits and makes it transparent that people are better off in work rather than being on benefits. Claimants will be encouraged to take responsibility for their finances as they will receive a single direct payment.

Critics argue that many claimants find difficulty in managing their money as they are not used to doing this; that using an information technology-based system will reduce face to face contact and advice; and that social landlords will face increased costs of income collection and increased arrears and bad debts.

The government introduced direct payments to tenants. They considered that direct payments will give benefit claimants increased financial responsibility, making it easier for them to make the move into work. This move followed the direct payment of Housing Benefit to claimants living in the private rental sector.

Adrian Waite
September 2022

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!

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Introduction to Local Authority Housing Finance in England – Webinars

We hold webinars entitled 'Introduction to Local Authority Housing Finance in England'. These webinars give an introduction and overview of this important subject and are fully up to date with all developments.

There are three webinars:

- Introduction to Local Authority Housing Finance in England (revenue)
- Introduction to Local Authority Housing Finance in England (capital)
- Introduction to Local Authority Housing Finance in England (technical issues)

Each webinar will last about an hour and currently costs £30 plus value added tax (a total of £36).

These webinars are comprehensive and are designed for people who are not experts in housing finance, but who need to understand the basics and achieve an overview of what is going on. They are suitable for councillors, housing managers, tenant representatives, finance staff who have limited experience of local authority housing finance and others who realise that an understanding of housing finance can place them at an advantage!

Introduction to Local Authority Housing Finance in England (revenue) refers to the Housing Revenue Account, Rents, Service Charges, Management and Maintenance, Self-Financing, Housing Benefit and Welfare Reform.

Introduction to Local Authority Housing Finance in England (capital) refers to Capital Programmes, Right to Buy, Development, the Affordable Housing Programme, Prudential Borrowing and Local Housing Companies.

Introduction to Local Authority Housing Finance in England (technical issues) refers to Strategic Housing, Arms' Length Management, Private Finance Initiative, Business Planning, Risk Management, Asset Management and Value for Money.

All the webinars are fully up to date. The presenter is Adrian Waite, who is well known for his ability to explain complex financial matters clearly.

It is possible to ask questions during and after the webinar. A recording of the webinar is also available after it is completed.

For further information or to make a booking, please click here: <https://awics.co.uk/introduction-to-local-authority-housing-finance-in-england>