



The Gateshead Housing Company

Working with Gateshead Council

BOARD OF DIRECTORS

28 January 2016

PRESENT:

Directors

Paul Foy (Chair)
Elizabeth Bird
Sheila Boutieh
Joanne Carr
George Clark
Mick Davison
Pauline Dillon
Eileen Gill
John Hamilton
Tracy Harrison
Peter Mole

Advisers

Jon Mallen-Beadle	Managing Director
Neil Bouch	Director of Customers and Communities
Kevin Johnson	Head of Customer Services
Natalie Hewitt	Head of Corporate Services
Julie McCartney	Head of Neighbourhood Services
Victoria Beattie	Service Director, Construction Services
Stuart Gibson	Governance and Risk Officer

Apologies

Robert Buckley
Joachim Moussounda Mouanda

79 MINUTES

The minutes of the Board Meeting held on 26 November 2015 were approved as a correct record.

80 RENT AND SERVICE CHARGE PROPOSALS FOR 2016/17

The Rent and Service Charge Setting Policy was approved by the Board at the meeting on 21 January 2010 with a subsequent update on 12 May 2010. The policy was subject to an internal review in December 2014 and no changes were made at this time.

Due to changes in Government Policy around rent setting, a review of the Rent and Service Charge Setting Policy has been required for 2016/17 rent and service charge setting.

A revised Rent and Service Charge Setting Policy was submitted.

The updated Rent and Service Charge Setting Policy details that the initial rent for a TGHC tenancy must be in place for a minimum of 12 months. Any properties let during 2015/16 will not see a rent change in April 2016.

The rent proposal for 2016/17 is in line with the Welfare Reform and Work Bill of a 1% rent reduction. This is an average weekly rental reduction of £0.94, based on 52 weeks rental charges.

- RESOLVED – (i) That the updates to the Rent and Service Charge Setting Policy be approved.
- (ii) That the proposed rent and service charge changes for 2016/17 be approved.

81 CAPPING HOUSING BENEFIT FOR COUNCIL TENANTS

The Board received an update on the announcement made in the Chancellor's Autumn Statement and Spending Review around proposals to cap housing benefit for new social housing tenants at Local Housing Allowance (LHA) rates, as used in the private rented sector.

The LHA sets the maximum amount of housing benefit that can be paid to a private tenant. There is a different amount for each size of property and the LHA rates vary from authority to authority.

There are additional rules for single people under 35 renting from a private landlord. In most cases these tenants are only permitted to claim a "shared room rate", which is the rate for renting a single room in a shared house. This rate is the maximum housing benefit payable even if the single person rents an entire property, such as a one bedroom flat.

The Chancellor has proposed that the LHA rules will apply for social housing tenants (including council tenants) for tenancies created after 1 April 2016. However, the LHA rates will not take effect until 1 April 2018. Any new tenancies in Gateshead after 1 April 2016 will therefore potentially be affected by a cap on housing benefit within two years.

Whilst the proposal (as it stands) will not affect current tenants, before taking into account the shared room rate, 465 tenants would have been affected if the rules had already been in place.

The basic rent charges set by the Council are lower than the LHA rate (before taking into account the shared room rate). However, many tenants also pay one or more service charges, some of which are eligible to be covered by housing benefit.

Analysis carried in November 2015 suggests that there are 564 tenants who are single, under 35, with no dependent and in receipt of housing benefit. If the policy had already been applied to current tenants then all 564 would have their housing benefit award capped at £60.

429 of the 465 tenants have a furniture pack. Furniture packs have become increasingly popular with new tenants and have in some case helped to let properties that would otherwise remain vacant. The packs are leased from Newcastle Furniture Service. There are four different options and a mini pack available. It is likely that any new tenant taking a 1-bed property (from 1 April 2016) who also requests an option 1 to 4 furniture pack would push themselves over the LHA cap rate.

It was noted that the Company was also working with Foundations and the Credit Union regarding other alternative furniture options. The Credit Union was working on alternatives regardless of these proposals. The Board felt that it would push tenants into using BrightHouse etc.

This policy could also potentially have a significant impact on the Bedroom Tax and its administration.

RESOLVED – That the update on capping housing benefit for Council tenants be noted.

(Note: Tracy Harrison declared an interest in this report due to the Northern Housing Consortium's interest in the Newcastle Furniture Organisation)

82 UPDATE ON HOUSING AND PLANNING BILL

The Managing Director gave an update on the Housing and Planning Bill.

A parliamentary briefing produced by SHOUT (Social Housing Under Threat) was submitted.

The Board felt that it was all very worrying and there was still a lot of detail that they didn't have.

Paul Foy reported that Dave Anderson MP had produced a briefing which Joyce Quinn had taken to the House of Lords and John Healy had shared with MPs. It was agreed that a copy of this briefing be sent to Paul Butler, Bishop of Durham.

Tracy Harrison reported that the Northern Housing Consortium had set up a Commission for Housing in the North which had recently campaigned in Westminster. This was a very powerful voice for the North with some very powerful people. It would be producing its final report by March. A link to their website would be sent to all members of the Board.

RESOLVED – That the update on the Housing and Planning Bill be noted.

83 MINUTES OF AUDIT COMMITTEE HELD ON 13 JANUARY 2016

The minutes of the meeting of Audit Committee held on 13 January 2016 were submitted.

RESOLVED – That the minutes be noted.

84 MINUTES OF KEELMAN HOMES HELD ON 26 NOVEMBER 2015

The minutes of the meeting of Keelman Homes held on 26 November 2015 were submitted.

RESOLVED – That the minutes be noted.

85 ITEMS FOR INFORMATION

The following items have been posted on the TGHC Website: -

- Petitions Update
- Outstanding Issues
- Forward Plan

RESOLVED – That information be noted.

86 DATE AND TIME OF NEXT MEETING

The next Board Meeting will be held on Thursday, 24 March 2016 at 10am at Gateshead Civic Centre.

87 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – That the press and public be excluded from the meeting during consideration of the remaining business in accordance with the indicated categories of the Company's Access to Information Rules.