

New Rent Standard from 2020

consultation@rsh.gov.uk

Chair of the Place and External Relations Scrutiny Panel

Councillor Mike Glover

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Ask for Paul Radcliffe
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To whom it may concern,

New Rent Standard from 2020

I write on behalf of Tameside Council's Place and External Relations Scrutiny Panel. The Panel seeks to submit a formal response to the consultation on a new Rent Standard from 2020, which closes on 30 July 2019. This letter therefore aims to provide a summary of collective points and to express any areas of issue and concern. I would be extremely grateful if on receiving this letter you are able to take the appropriate action to ensure the collective response is suitably recorded and submitted to the consultation.

Consideration must be given to the cumulative impact of system and payment changes brought about by Universal Credit and the ongoing pressures faced by some of our most vulnerable residents. I have taken time to discuss proposals for the new rent standard with Jigsaw Homes Group, as the borough's largest Registered Social Landlord, with key points included below.

Tameside, as a place, continues to face significant challenges with an ongoing need to address social, economic and health inequalities. Unemployment in Tameside remains higher than the national average, with a higher proportion of residents claiming out of work benefits. This is further compounded by almost 50% of the population living within the 30% most deprived areas nationally and parts identified within the top 5% for deprivation.

Research and intelligence shows that the percentage of people living in relative poverty, after housing costs, is higher in the North West than the national average. Tameside's low income households and single parents continue to be adversely affected by the impacts of welfare reform and Universal Credit.

The Welfare Reform and Work Act 2016 has worked to ease the financial burden of rent increase and has notably contributed to the sustainability of plans to deliver a more affordable housing sector across Tameside. The Panel acknowledge that a change to the rent standard is required in order to provide the sector with greater certainty and confidence in future revenues in order to invest in the existing housing stock and to plan for further development opportunities.

The Panel would like concerns to be raised with regards to future housing costs as a significant factor and pressure for Tameside residents living in relative poverty. There is also

a further need to understand the impact on residents who will remain economically and socially inactive.

I have listed some of the main points below, which are to be viewed under the collective of Tameside's Place and External Relations Scrutiny Panel.

- Residents in receipt of a housing component within their Universal Credit payment face being at a greater financial risk in the immediate period following the new rent standard being applied from April 2020.
- Universal Credit requires individual claimants to provide notification of a rent increase in order for the housing component to be adjusted in line with the increase of 1% + CPI. The notification of increase can only be made once the increase has been applied in April 2020, with any late notifications resulting in an under payment for housing costs in the period to follow.
- Inconsistencies are apparent for residents who continue to receive Housing Benefit compared with Universal Credit. The Housing Benefit system is seemingly able to provide a bulk upload for rent increases for all claimants once notification is received from the landlords.
- To avoid a shortfall in the housing element of Universal Credit in April 2020, the system requires the ability to receive a bulk upload for rent increases. There is a noticeable need to avoid and remove the adverse financial impact on claimants who may not provide immediate notification of the rent increase.
- Should such a system not be in place as part of Universal Credit by April 2020, support needs to be provided to social landlords to communicate key messages as to the action required by claimants as soon as the rent increase is applied.
- With a previously more restrictive approach to investment and development, the new rent standard provides Registered Social Landlords with a greater level of certainty for income growth and more ambitious forward planning to maintain existing properties, identify future development opportunities and to provide additional support to residents within their communities.

If further clarity is needed on any of the above points, please do not hesitate to contact me.

Yours faithfully,

Councillor Mike Glover
Chair – Place and External Relations Scrutiny Panel