

Report for: Cabinet Member for Housing & Planning

Title: Licence fees ('rents') and Service Charges for Council owned Supported Accommodation

Lead Officer: Zahra Maye, Head of Housing Related Support

Report Author: Martin Gulliver, Housing Strategy & Policy Officer

**Report for Key/
Non-Key Decision:** Non-Key Decision

1 Describe the issue under consideration.

- 1.1 Haringey Council is the landlord of five short-term supported housing schemes of which three (Olive Morris Court, Carrol Court, and Hale Wharf) are held in the Housing Revenue Account (HRA) and two held in the General Fund (GF). Given the nature of the General Fund schemes, their addresses are not provided in this report but are referred to here as Scheme O and Scheme B.
- 1.2 These schemes are known as short-term Supported Housing as residents are offered these as for short-term placements of up to 2 years. These differ from long-term/life-time housing such as Sheltered Housing, Good Neighbour Schemes or Housing First tenancies. Although the rent setting approach is the same for long-term tenancies, these tenancies are excluded from this report as they are set as part of the Housing Revenue Account budget.
- 1.3 The accommodation in the short-term HRA schemes consists of 32 self-contained properties with a tenure of either a licence or non-secure tenancy. Conversely, accommodation in the GF schemes is provided in 36 rooms with shared facilities. These rooms are all held under licence.
- 1.4 While the schemes held in the HRA have their rents and service charges updated annually as part of the HRA rent setting process. However, the GF schemes have not been updated and so have fallen behind.
- 1.5 This report therefore seeks to confirm the charging policy applied for both HRA and GF short-term Supported Housing is to
 - Align Licence Fees (aka Rents) for all short-term Supported Housing at Formula Rent + 10% as set out in the Rent Standard
 - Fully recharge the costs of any services provided which are not part of the licence fee (Rent). These are in-turn split into Housing Benefit eligible service and personal services.
- 1.6 This report also seeks to update the charges for the GF properties for 2026/27. The HRA charges for this year will be updated by the budget papers.

2 Recommendations

- 2.1 The Cabinet Member is recommended to approve:
 - The Statement on Licence fees ('rents') and Service Charges for Council owned Supported Accommodation' (Appendix B)

- Update the General Fund Scheme charges in-line with this statement including the introduction of a personal charge which has not been charged to these residents.
- To implement this change with effect from Monday 6th April,

2.2 And to note the

- Equalities Impact Assessment (Appendix A)

3 Reasons for decision

- 3.1 Formalising the Licence Fees and Service Charges in one document provides clarity for residents on how the charges are set and confirms the common charging methodology applied to all schemes.
- 3.2 Updating the charges will also provide a standard approach to these in practice.

4 Alternative options considered.

Not formalising the Licence Fees and Service Charges

- 4.1 This option was rejected as this is not transparent, and General Fund rents would continue to be outside the annual rent increase process.

Not updating the General Fund Licence Fees and Service Charges

- 4.2 This option was rejected as this would maintain the differences in the fees charged for similar services.

5 Background information

- 5.1 Housing Related Support (HRS) supported housing provides a mix of 24-hour staffed accommodation and visiting support, offering safe, stable housing alongside tailored help for people with complex needs. It supports individuals with experiences of rough sleeping, mental health challenges, substance use, domestic abuse, and other vulnerabilities, helping them to build resilience, improve wellbeing, and move towards independent living.

Current rent setting approach and Governance

- 5.2 There are three schemes held in the HRA which have licence fees ('rents') and charges which have been updated annually as part of the HRA budget setting, and this will continue. This statement will clarify the rent setting process for these.
- 5.3 In contrast, the licence fees and charges for the two GF schemes have not been reviewed or updated since the schemes opened in 2020 and 2021. In both schemes, licence fees were originally based on formula rents and the full cost of HB eligible service charges at that time were recharged but with no personal charges.
- 5.4 It is proposed that the Council publishes the approach to charge setting in one document, and the Cabinet Member is therefore asked to approve the 'Statement on Licence fees ('rents') and Service Charges for Council owned Supported Accommodation' (Appendix B).

Fees and charges for 2026/27

5.5 The Cabinet Member is also asked to approve the update of the charges and fees for General Fund schemes (68 residents) for 2026/27 in line with this approach and as set out in table at 5.11 below with affect from 6 April 2026. Approval of the updated of the charges for Housing Revenue schemes is not sought in this report as those will be updated by the annual HRA budget report.

The Rent Standard

5.6 These 2026/27 licence fees will be set in accordance with the Rent Standard which has two effects.

- The Rent Standard limits the licence fees that can be charged at the start of any licence/tenancy. For Supported Housing, this is the formula rent + 10%. Typically, the level of formula rent is updated each year by CPI plus 1%.
- The Rent Standard also limits any increase in license fees for current residents. This limit is usually set at Consumer Price Index + 1% which equates to 4.80% in 2026/27). This applies even if the current licence fees are below the applicable formula rent + 10% for the property; there is no provision allowing “catching up” if the charges are originally set below formula rents + 10%.

5.7 The effect of these two functions means that where current residents have licence fees below formula rent + 10%, their licence fees will remain below this level as their licence fees can only be updated by CPI + 1%. This means that current residents charged at historically low fees will be charged less than new residents who will be charged the full formula rent plus 10%.

5.8 Service charges for the GF properties have been recalculated. Following discussions with Housing Benefit section, these charges have been split between those which are eligible for Housing Benefit (‘eligible service charges’) and those which are not (‘personal charges’).

5.9 As the licence fees (rents) and service charges for General Fund properties have not been reviewed in the annual budget papers so bringing the licence fee (rent) in line with the Rent Standard will let to sharp increase in the licence fee for new residents. This will not though apply to current residents who will, like their HRA counterparts, only have their Licence Fee increased by CPI + 1%.

5.10 It is also proposed that the licence fees and service charges for General Fund schemes are updated for new residents and that future budget papers incorporate the update in Supported Housing licence fees and charges as well as other GF rents. As these charges have not been updated since the schemes opened, the 2026/27 increases are effectively incorporating 5 years inflation and so are relatively high. It is expected that future increases will be more in line with inflation for that year.

5.11 Using these principles, new licence fees and eligible service charges will be as follows:

		HB eligible charges			
		Current residents		Future residents	
	Scheme	B	O	B	O
	Current	Licence Fees (aka Rent)	£45.99	£42.35	
HB eligible service charges		£319.20	£149.31		
Total HB eligible charge		£365.19	£191.66		
Proposed	Licence Fees (aka Rent)	£48.20	£44.38	£64.41	£67.64
	HB eligible service charges	£335.52	£224.82	£335.52	£224.82
	Total HB eligible charge	£383.72	£269.20	£399.93	£292.46
Increase	Licence Fees (aka Rent)	£2.21 4.8%	£2.03 4.8%		
	HB eligible service charges	£16.32 5%	£75.51 51%		
	Total HB eligible charge	£18.53 5%	£77.54 40%		

5.12 For existing residents, these changes will come into effect on Monday 6th April. Residents will receive a 4 week notice prior to this increase as set out in their licence agreements.

5.13 For new residents, the new charges can apply on commencement of their occupancy following 6 April.

Personal Charges

5.14 The tables above show charges that are typically covered by Housing Benefit or Universal Credit, where applicable. In addition to these Housing Benefit-eligible charges, there are personal charges for items such as water, heating, and other utilities.

5.15 While schemes in the HRA have always applied personal charges, these have not previously been implemented for Schemes B & O. It is therefore proposed that Schemes B & O adopts the same charging approach as other schemes, introducing personal charges at the full cost of providing these services. For Scheme B, these charges will be set at £8.98 per week for 2026/27 and for Scheme O, at £13.66 per week.

5.16 As these schemes are intended as a short-term placement to help residents develop tenancy skills, the absence of these charges reduces its ability to replicate the financial responsibilities of a standard tenancy or licence. It also results in a missed opportunity to recover costs.

Effect on residents

5.17 With the exception of the personal charges, all fees (including the licence fees) in this report are eligible for Housing Benefit. Residents in these homes are currently receiving full Housing Benefit, and, given the nature of the schemes, it is also likely that this will be the case for future residents.

5.18 There will though be a small impact on residents by the update of the personal service charges as set out in the above table.

- 5.19 For residents who struggle to pay the personal service charge and subsequently fall into debt, the Council will provide targeted support to help them access available financial assistance. This includes signposting and facilitating applications to the Household Support Fund, Vicar's Relief Fund, and other relevant grants where appropriate. These measures aim to reduce the risk of financial exclusion and ensure that vulnerable residents are supported in maintaining their accommodation.

Effect on General Fund Income

- 5.20 The updated General Fund charges will generate an additional £190,000 in 2026/27. This forecast assumes a 100% collection rate, on the basis that these charges are fully covered by Housing Benefit. The increased income contributes to maintaining a balanced budget and enables continued reinvestment into the service.

Future Increases

- 5.20 It is proposed that future charges for General Fund schemes are updated as part of the annual budget setting process with implementation each April. This will follow the same approval process as the HRA schemes.
- 5.21 The cost of supported accommodation is a significant cost to the Council's finances; the increased income arising from these changes will help to offset that cost.

Carbon and Climate Change

- 5.22 This policy does not create or change any physical assets or direct service provision, there are no carbon or climate change implications.

6 Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes

- 6.1 The recommendations in this report will support the Corporate Delivery Plan's theme 5, "Homes for the Future", and, in particular, its commitment to "undertake a full review of all policies relating to our tenants and leaseholders in our role as their landlord" and "Implement the new consumer standards across our services to meet our obligations under the new social housing regulation regime".

7 Statutory Officers comments.

- 7.1 Director of Finance, Procurement, Director of Legal and Governance, Equalities

Legal Comments

- 7.2 The Director of Legal and Governance has been consulted in the preparation of this report and comments as follows.
- 7.3 As a Registered Provider of social housing the Council is required to comply with standards set by the Regulator of Social Housing.
- 7.4 The effect of the Rent Standard is set out in the body of the report and in other statutory comments.
- 7.5 There is no legal reason why the Cabinet member cannot adopt the recommendations set out in this report.

Procurement Comments

7.6 Strategic Procurement note the report recommendations and there is no procurement related decision.

7.7 Strategic Procurement have not objections to the report recommendations.

Finance Comments

7.8 All registered providers are required to comply with the Regulator of Social Housing's Rent Standard.

7.9 The Rent Standard limits the licence fees that can be charged at the start of any licence/tenancy. For Supported Housing, this is the formula rent + 10%.

7.10 This report seeks to align the rents charged in General Fund supported housing units with the rent standard and service charge to full cost recovery as approved by the Council.

7.11 If approved, this will be consistent with the rent and service charges applied in supported housing units held the Housing Revenue Account. This will have positive impact on income due to the General Fund.

Equalities

7.12 The Council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not

7.13 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage/civil partnership status applies to the first part of the duty.

7.14 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

7.15 An Equality Impact Assessment (Appendix A) has been completed for this change and has concluded that there will be an impact on residents but that it is reasonable for the Council to apply.

7.16 The council recognises that people who are aged 35 to 49 and male are over-represented among residents of supported accommodation. Residents are also more likely to include disabled people, people with mental health conditions and those experiencing socioeconomic disadvantage. However, as the majority of the changes in charges will be met by Housing Benefit, the changes are not anticipated to have any impact on service users, residents or staff.

7.17 For HRA tenants, there is no change in rent update policy or practice, and this report seeks to apply the annual charge update which has been applied for many years.

7.18 Similarly, for GF residents, there is no change in rent policy but the practice since there will be a one-off increase as the charges for these schemes have not been updated since the schemes opened in 2020 & 2021. Residents have therefore been undercharged. This paper seeks to approve those one-off updates and bring them in-line with all other Council owned tenants/licences.

7.19 As these schemes are intended as a short-term placement to help residents develop tenancy skills, the absence of these charges reduces its ability to replicate the financial responsibilities of a standard tenancy or licence. The Impact Assessment also notes the support to be provided to those who will be most affected by the changes. The impact of the introduction of personal charges will thus have a negative impact in the short-term but may have a positive impact on the long-term.

7.20 As the application of annual increases in rent and service charges is along established principle, the Council considers it reasonable to apply these updates to bringing these into line with the HRA schemes and all other Council owned tenures.

8 Use of Appendices

Appendix A: Equalities Impact Assessment

Appendix B: Statement on Licence fees ('rents') and Service Charges for Council owned Supported Accommodation

9 Background Papers

None.