

Executive Decision Report

Housing Allocations Policy

Decision to be taken by: Executive
Decision to be taken on: 1 March 2013
Lead director: Ann Branson



City Mayor

Useful information

■ Ward(s) affected: ALL

■ Report authors:

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1. Summary

1.1 To adopt the changes to the Housing Allocations Policy. These proposals take into account feedback from the six week public consultation exercise that took place. Feedback is summarised in Appendix A of this report.

1.2 This decision , which can be taken by the Director of Housing, is needed as there are two major groups of people affected by the changes to housing benefit; prospective social tenants and existing social tenants who are of a working age. In addition there is a statutory requirement that ex-service personnel are given reasonable priority within the Council's Housing Allocations scheme.

2. Recommendations

2.1 To agree changes to the Housing Allocations Policy, as set out in full in Appendix B of this report. In summary:

- No's 1 to 5 - Adopt recommendations made.
- Number 6 – Following consultation feedback, retain existing Housing Allocation policy criteria.
- Number 7 - Adopt recommendations made.
- Number 8 - Adopt recommendations made.

3. Supporting information including options considered:

3.1 The issue has arisen as a result of revised Housing Benefit rules that are to be introduced in April 2013 that will affect existing council tenants and prospective council tenants.

3.2 The current position is that existing council and housing association tenants in

receipt of welfare benefits are entitled to a full award of housing benefit to meet their rent liability irrespective of any bedroom size age criteria or any under- occupation that may be present within the tenants home.. This has enabled the council to apply discretion in the way it can allocate council accommodation.

3.3 The changes to Housing Benefit (HB) will mean that social tenants who receive this financial assistance will only receive entitlement in accordance with the current HB rules on bedroom criteria. These changes only apply to those of a working age who are under 62 years of age as at 1st April 2013.

OPTION 1

3.3 To adopt some or all the proposed changes to the published Housing Allocations Policy. The changes will mean people on the Housing Register will only be allocated the number of bedrooms that would be covered under housing benefit rules.

OR

OPTION 2

3.2 Maintain the status quo and make no changes to the published Housing Allocations Policy with the exception of armed forces personnel where there is statutory requirement that authorities must give reasonable priority within the Housing Allocations Scheme for this group.

3.3 Advantages of Option 1

1. Adopting the changes recommended will reduce the risk of financial hardship to prospective tenants due to shortfalls in housing benefit.
2. Ensures that prospective tenants are allocated accommodation that is affordable and sustainable as long as it meets their needs.
3. Will allow existing tenants affected by the HB rule changes to make informed decisions about downsizing from their current accommodation to more affordable accommodation via the Housing Register.

3.4 Disadvantages of Option 1

1. none

3.5 Advantages of Option 2

1. None

3.6 Disadvantages of Option 2

1. Will cause financial hardship to prospective tenants that be allocated homes that they cannot afford to live in.
2. May lead to rise in existing tenants getting into rent arrears because they cannot afford to pay the shortfall in Housing Benefit and as a consequence risk losing their homes
3. May lead to a rise in homelessness presentations in the City.

4. Details of Scrutiny

4.1 Approval was given by Executive to consult on the proposed changes on 13th July 2012.

4.2 A six week online consultation exercise was undertaken with registered social housing providers, housing partners/advocacy groups, customers on the housing register, Leicester City Council housing staff and Adult and Children Services. Briefing sessions were also held with local ward and community groups. (see appendix 2 for consultation feedback).

4.3 The report was presented to the Adults and Housing Scrutiny Commission on the 1st November 2012. In summary, the Commission was unhappy about the proposals but acknowledged that it is a reasonable response to the Government changes to Housing Benefit. Full details of the feedback to officers is detailed in appendix 2

5. Financial, legal and other implications

5.1 Financial implications

The report recommends changes to the allocations policy in the light of the Housing Benefit Changes. These changes will help to ensure that people are not allocated homes that become unaffordable with consequential increases in rent arrears and costs associated with homelessness.

5.2 Legal implications

Section 167(7) of the Housing Act 1996 imposes an obligation on a local housing authority to consult with all private registered providers of social housing and registered social landlords with whom nomination arrangements exist, before making changes to its housing allocation policy.

The Government issued guidance in June 2012 (Allocation of accommodation: guidance for local housing authorities in England) that recognises the need for housing authorities to take into account relevant provisions in the Welfare Reform Act 2010 when determining criteria for the allocation of housing. Housing authorities are free to set their own criteria, provided they do not result in a household being statutorily overcrowded.

5.3 Climate Change and Carbon Reduction implications

No climate change implications.

5.4 Equality Impact Assessment

The protected groups that were seen to adversely affected are:

- Disability
- Pregnancy and maternity
- Sex (gender)

Whilst disabled people will be affected by the housing benefit changes it is proposed that we continue with existing policy of giving consideration for an additional bedroom but discuss the implication of the changes with the disabled person before approval is given for an additional bedroom.

The changes to the bedroom rules will mean an additional bedroom will not be considered for the unborn baby until it is born. This will adversely affect expectant mothers/families as overcrowding may ensue when the baby is born. To lessen the impact of overcrowding families with children living in one bedroom accommodation are given relatively high priority under the banding scheme and have a good chance of securing an offer after 6-8 months on the Housing Register.

Parents with overnight access to children will no longer be considered for an additional bedroom. Whilst this will disproportionately affect single fathers the proposed change will ensure they are not placed in accommodation which may be unaffordable to them so they become at risk of losing their home. For those fathers already living in social accommodation where benefit is restricted due to under occupation, Band 1 priority will be given to enable them to secure a move to more suitable accommodation elsewhere

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

There is strong overlap with both CYPS and ASC portfolios as some of the key changes will have an impact on families with children and vulnerable adults.

Consultations have taken place with Directors in ASC and Children Services and their concerns have been taken on board in relation to the need for an additional bedroom to be allocated to a child with behavioural issues within the current Housing allocations. It is therefore recommended there is no change to this aspect of the policy and that families that may be affected should be made aware of the HB rules which may mean that there may be a shortfall in their HB entitlement.

In relation to some of their comments, highlighting concerns about children of the same sex, up to the age of 10 having to share a bedroom, It has not been possible to take on board these comments in light of the HB changes that will mean that there may be significant financial hardship faced by working age households if we do not adopt the changes that have been recommended.

6. Background information and other papers:

7. Summary of appendices:

7.1 Appendix A - Summary of public consultation exercise and feedback received in relation to the Council's proposed changes.

7.2 Appendix B – Summary of recommended changes to the policy following public consultation exercise

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

Yes

10. If a key decision please explain reason

10.1 This is a key decision as it will determine the way the council allocates accommodation to applicants on the Housing Register ahead of revised Housing Benefit rule changes that are to take effect from the 1st April 2013.

10.2 The significance of this decision is that:

- If the proposed changes to the Housing Allocations Scheme are not adopted ahead of the housing Benefit rule changes take effect; many households across the city may face financial hardship due to a shortfall in the housing benefit payments they receive. This potentially will lead to an increase in the risk of families losing their homes.
- The Council is not able to allocate homes to applicants in the full knowledge that the accommodation is unaffordable for the applicant from the outset. This will

have a detrimental impact on the timely lettings of council and housing association accommodation via Leicester HomeChoice Scheme.