

**COMT**

**17TH AUGUST 2012**

**OVERVIEW & SCRUTINY PANEL  
(SOCIAL WELL-BEING)**

**4TH SEPTEMBER 2012**

**REVIEW OF THE COUNCIL'S LETTINGS POLICY  
(Report by the Head of Customer Services)**

**1. INTRODUCTION**

- 1.1 As the local Housing Authority, the council is required by law to have an allocations scheme for determining priorities in the allocation of social rented housing. The Lettings Policy is the council's allocations scheme.
- 1.2 Although the council is no longer a stock holding authority it has a housing register of people wishing to be considered for the allocation of social rented housing and a choice based lettings scheme (the Home-Link scheme) which is the vehicle for letting the majority of these properties in the district. The Lettings Policy dictates how the housing register and the letting of properties operates.
- 1.3 The 2011 Localism Act introduced new legislation governing allocations schemes and the 2012 Welfare Reform Act also contains changes to the benefits system that have an impact on the letting and management of social rented housing. The council, together with the other local authorities that make up the Home-Link partnership, have reviewed their Lettings Policies in light of these legislative changes and produced the attached consultation draft which is now being presented to the Scrutiny Panel for their consideration.

**2. LEGISLATIVE CHANGES AND IMPLICATIONS**

- 2.1 The Localism Act gives greater flexibility to allow councils to decide who should be prioritised for social rented housing, in terms of who should be allowed onto the housing register and then what level of priority they should be awarded for housing. Although some flexibilities have been introduced there remains a legislative framework of the categories of households that should be given 'reasonable preference' for housing. In an area where demand for social rented housing outstrips supply the difficult task is achieving a Lettings Policy that meets the needs of those that must be given 'reasonable preference' balanced against any other local priorities that the new flexibilities may allow.
- 2.2 The new flexibilities must also be considered in light of other legislation the most obvious being equalities legislation. It is important to ensure that the Lettings Policy does not discriminate in a direct or indirect way against any household and so any changes must consider the implications of this. A full

Equalities Impact Assessment of the policy will be carried out at the end of the consultation period and prior to the policy being considered for adoption.

- 2.2 The Welfare Reform Act will introduce changes to the Housing Benefit system that will reduce the Housing Benefit entitlement for social rented tenants who are considered to be under-occupying their homes. This Lettings Policy review has therefore considered bringing the bedroom entitlement rate in line with Housing Benefit (HB) regulations so that those that are considered to be under-occupying can be helped to move and all new tenancies created are in line with the HB entitlement rate.
- 2.4 Secondary legislation, via statutory instrument, has also introduced a requirement to give additional priority for social housing to ex-service personnel. It also prevents councils from excluding ex-service personnel from their registers on grounds of lacking a local connection.
- 2.5 The table at Appendix A gives details of the changes that are being suggested to the policy as a result of these legislative changes. The full consultation draft Lettings Policy is at Appendix B.
- 2.6 The under-occupation of social rented housing is an issue nationally and locally. Welfare reforms to be introduced from April 2013 will reduce the Housing Benefit entitlement of working age social rented tenants who are considered to be under-occupying their homes. The criteria to be used for assessing under-occupation are the bedroom entitlement rates that are currently applied to private sector tenants through the Local Housing Allowance regulations. Applying this criteria to social rented tenancies in Huntingdonshire in July 2013 shows that there were almost 1000 households claiming Housing Benefit that are considered to be under-occupying by at least one bedroom.
- 2.7 There are three mechanisms to help these households move to smaller accommodation:
  - a mutual exchange, where one tenant can find another social rented tenant to swap properties with;
  - direct lets where housing associations can offer smaller available properties to their tenants outside of the allocations scheme (so they do not have to bid through the Home-Link scheme); and
  - prioritising under-occupiers who apply to the housing register and wish to bid through the Home-Link scheme.
- 2.8 The consultation draft of the Lettings Policy suggests increasing the priority of those under-occupying tenants who wish to go through the Home-Link route for rehousing, although housing associations are being encouraged to assist these tenants predominately through the direct let mechanism as this is often a more effective way of encouraging them to move.

### **3 CONSULTATION PROCESS AND TIMESCALES**

- 3.1 All the councils that make up the Home-Link partnership are currently consulting on the proposed changes to their Lettings Policies. Consultation is taking place with Members, current housing register applicants and a wide range of stakeholder organisations.
- 3.2 The consultation process runs until 28<sup>th</sup> September 2012 with all partners then considering the responses and taking the final policy through their Cabinet and full Council processes towards the end of this year. A full review of the housing register will take place after approval of the Policy, between January and April 2013, assessing each applicant under the new policy and informing them of any changes that affect them. The new Lettings Policy will then be introduced from April 2013.

### **4. CONCLUSION**

- 4.1 The proposed changes to the Lettings Policy are the most significant in many years. Examples of this are the overcrowding assessment of households applying to the register and the size of social rented property they will then be entitled to be considered for. This will, however, bring bedroom entitlement rates in line with those allowed under the HB regulations.
- 4.2 These changes are likely to generate a number of enquiries for officers and Members from those households affected, the majority of which are likely to be adversely affected. The changes are necessary though in light of the legislative changes brought about by the Localism and Welfare Reform Acts.

### **5. RECOMMENDATION**

- 5.1 The Panel is asked to comment on the consultation draft of the Lettings Policy and note the contents of this report.

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**Lettings Policy Review – Current position and proposed changes**

**Appendix A**

	<b>Changes Implemented By Localism Act (LA)/Statutory Instruments/ welfare reforms</b>	<b>Current Policy Position</b>	<b>Proposed Revised Policy Position</b>	<b>Comments</b>
1	<p>Local decisions on classes of people that you should include or exclude from the allocations scheme.</p> <p>(legally able to define who are 'qualifying persons' for purposes of the allocation scheme)</p>	<p>Open housing register allowing anyone from anywhere in the UK onto the register apart from the most serious ASB or arrears cases</p>	<p>a) Only accepted onto the register if have a local connection to the district (no proposed change to definition of local connection)</p> <p>b) Continue to exclude the most serious ASB or arrears cases (different test under LA but with the same outcome)</p>	<p>'Eligibility' in terms of immigration status remains – not to be confused with 'qualifying persons' which is now introduced through LA.</p>
2	<p>Members and former members of the Armed Forces provisions.</p> <p>a) Local connection requirements</p> <p>b) Additional preference for members of the armed forces</p>	<p>a) Although current and former members of the armed forces are allowed onto the register if they do not have a local connection they would have a lower priority than applicants that have a local connection.</p> <p>b) No additional preference is awarded for former members of the armed forces.</p>	<p>a) Statutory instrument to be introduced to state that former members of the armed forces, bereaved spouses or partners, or members of the Reserve Forces who need to move because of serious injury or disability sustained as a result of service, do not need to satisfy local connection criteria. This has been written into the policy (needs amending for spouses and Reserve Forces).</p> <p>b) Additional preference awarded by back dating their 'date in band' by the number of years of total military service.</p>	<p>a) Local connection does not apply to 'former' members of armed forces where their application is made within 5 years of their discharge.</p> <p>b) Backdate applies to all former members of armed forces irrespective of how long ago they served</p>
3	<p>Determining priorities between households with similar levels of need</p> <p>(concept of additional preference)</p>	<p>Currently award 'low priority' to those with financial resources that are able to resolve their own need; and those whose behaviour makes them 'unsuitable to be</p>	<p>New provisions allow greater priority to be given to anyone we wish to define – examples might be workers, model tenants or those who contribute to their local community. It is not proposed that</p>	<p>Difficulty administering, assessing, and monitoring if introduce extra additional preference categories.</p>

		a tenant' (low level arrears and ASB)	we make use of these powers apart from retaining lower priority for those under the current policy and review again in 12 months once we are aware of how other allocations scheme have made use of this legal power.	
4	<p>Assessment of overcrowding for calculating overcrowding, under-occupancy and allocation of properties.</p> <p>Recommendation in Code of Guidance that all councils use the bedroom standard <b>as a minimum</b> measure of overcrowding for allocation purposes – a stricter measure than the LHA bedroom entitlement rates.</p> <p>To assist with issues brought about by HB welfare reforms</p>	Currently have one set of criteria for calculating overcrowding (not as strict as LHA bedroom entitlement rates) and an even more generous bedroom entitlement rate in the allocations part of the policy – based on stock profiles in each district.	Proposal is to use the LHA bedroom entitlement rates for calculating overcrowding, under-occupancy and allocation of properties.	<p>LHA bedroom rates are not as generous as our current overcrowding assessment calculation so households will have to be more crowded to be considered as 'lacking a bedroom'.</p> <p>Using LHA rates will bring bedroom entitlements in line with private rented sector entitlements for HB claimants but will over time lead to a more crowded social rented sector. Issues with local stock profiles being able to meet needs.</p>
5	Changes in priority banding (as a consequence of issues in 5 above)	<p>Assessed as being overcrowded and lacking 2 bedrooms, or under-occupying by 2 bedrooms equates to a band B level of priority.</p> <p>Lacking or under-occupying by 1 bedroom equates to a band C priority.</p>	Given the stricter bedroom entitlement rates proposal is to increase lacking or under-occupying by 2 or more bedrooms to a band A priority and the lacking or under-occupying by 1 or more bedrooms to a band B priority	If insufficient priority is awarded on this it will prevent applicants' ability to successfully bid on properties through Home-Link.