

**COMT**

**3 DECEMBER 2012**

**CABINET**

**13 DECEMBER 2012**

**COUNCIL**

**19 DECEMBER 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.
- 1.4 The council, together with the other Home-Link local authorities, have consulted Members, current housing register applicants and a wide range of stakeholder organisations on the proposed changes to their Lettings Policies. Feedback from that consultation exercise has been considered through the Home-Link Management Board, made up of senior officers from the Home-Link partners and incorporated into the Lettings Policy attached to this report as appendix B.
- 1.5 A full Equalities Impact Assessment of the Lettings Policy has also been carried and was included as part of the consultation exercise (seen appendix C). The outcome of this EIA is that the proposed Lettings Policy is not considered to disadvantage different groups of people covered by the equalities legislation or contravene human rights.

**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 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 new tenancies created are in line with the HB bedroom entitlement rate.
- 2.3 Secondary legislation, via statutory instruments, will also introduce a requirement to give additional priority for social housing to ex-service personnel. Councils will also be prevented from excluding ex-service personnel from their registers on grounds of lacking a local connection.
- 2.4 The table at Appendix A gives details of the changes that are being suggested to the existing policy as a result of these legislative changes.
- 2.5 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 new 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. CONCLUSION**

- 3.1 The proposed changes to the Lettings Policy are the most significant in many years, making use of the flexibilities introduced by the Localism Act as well as changes necessitated by the implications of the Welfare Reform Act.
- 3.2 The proposed changes have been widely consulted on including with members of the Social Well-Being Overview and Scrutiny panel. The only material change to the policy in light of the consultation exercise introduces some flexibility that in effect allows housing associations to under-occupy a small proportion of properties that they advertise.
- 3.3 The revised Lettings Policy, if adopted by Cabinet, will lead to a full review of the council's housing register in the period January to March 2013 with the new policy being introduced from the beginning of April 2013.

### **4. RECOMMENDATION**

- 4.1 Cabinet is asked to adopt the revised Lettings Policy and approve its introduction from 1 April 2013.

**Contact Officer:** **Julia Barber**  
 **01480 388105**

**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 the Localism Act 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 Localism Act.</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 has been introduced stating 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.</p> <p>b) Additional preference awarded by back dating their 'date in band' by the total number of years of 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 a tenant' (low level arrears</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 we make use of these powers</p>	<p>Difficulty administering, assessing, and monitoring if introduce extra 'additional preference' categories.</p>

		and ASB)	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 schemes 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 Local Housing Allowance bedroom entitlement rates.</p> <p>To assist with issues brought about by HB welfare reforms</p>	<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.</p>	<p>Proposal is to use the LHA bedroom entitlement rates for calculating overcrowding, under-occupancy and allocation of properties.</p>	<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	<p>Changes in priority banding (as a consequence of issues in 5 above)</p>	<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>	<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</p>	<p>If insufficient priority is awarded on this it will prevent applicants’ ability to successfully bid on properties through Home-Link.</p>