

Wiltshire Council

Cabinet

22 January 2013

Subject: Amendment to the Homes4Wiltshire Policy

Cabinet member: Councillor John Thomson – Adult Care, Communities and Housing

Key Decision: Yes

Executive Summary

To introduce additional reasonable preference criteria within the Gold plus band of our current Homes4Wiltshire policy in response to the Welfare Reform to ensure higher priority can be awarded to families impacted by the introduction of the 'Bedroom Tax'.

Proposal

That Cabinet:

Introduce an additional reasonable preference criteria within the Gold plus band as follows:-

- Under Occupation – This applies to any working-age, social sector households in Wiltshire who is under-occupying by two or more bedrooms and who would suffer financial hardship if they remained in their existing home.

Reason for Proposal

To try and facilitate moves for working age housing benefit households to help reduce the impact of arrears and potential evictions we need to prioritise these households within the Homes4Wiltshire policy.

Currently households who are under occupying are assessed as being Gold. To ensure we maximise opportunities for households to downsize to more suitable accommodation that meets the needs of the family, and free up larger family accommodation, we propose to introduce an additional local reasonable preference criteria to allow this group to be awarded Gold plus status

Nicole Smith, Head of Strategic Housing

Contact Details: Nicole.smith@wiltshire.gov.uk, 07742 844855

Wiltshire Council

Cabinet

22 January 2013

Subject: Amendment to the Homes4Wiltshire Policy

Cabinet member: Councillor John Thomson – Adult Care, Communities and Housing

Key Decision: Yes

1 Purpose of Report

The purpose of this report is to seek approval from Cabinet to make an amendment to the Homes4Wiltshire policy (Appendix 1) that was approved by cabinet on 11 November 2009.

- To introduce additional reasonable preference criteria for working age households residing in Wiltshire, who are social housing tenants and under-occupying by 2 bedroom or more and identified as most at risk of suffering financial hardship if they continue to remain in their current property.

The proposed policy amendment is required in response to the Welfare Reform to ensure higher priority can be awarded to families impacted by the introduction of the 'Bedroom Tax'.

2 Background

Homes4Wiltshire Policy

The Homes4Wiltshire policy has been developed in partnership with Wiltshire Council and 32 other housing providers who have social housing stock in Wiltshire. The policy is used for letting and selling affordable housing and allows applicants to make informed choices about the type of accommodation that best meets their housing needs and aspirations.

The policy meets the statutory requirements for the allocation of social housing by ensuring that appropriate priority is given to applicants with multiple needs and reasonable preference is given to those identified as being in a reasonable preference category S166a (3).

Welfare Reform

The Welfare Reform Act that received royal assent on 8 March 2012 will make a number of changes to the welfare system, including changes to the Housing Benefit system. One of the changes will be to introduce a size criteria for social

homes as a measure of appropriateness for working age households. The new size criteria for social housing will be based on the number of bedrooms. The general principles will be:

- one bedroom for every couple or individual aged 16 and over
- an expectation that children of the same gender aged under 16 will share a bedroom
- an expectation that children aged under 10 will share regardless of gender
- disabled tenants that require an overnight carer will require an extra bedroom

The maximum amount of rent eligible to be covered by Housing Benefit will be reduced by a percentage rate for each 'excess' bedroom – there will be a 14% reduction for one excess bedroom and a 25% reduction for two or more excess bedrooms. This change will come into force in April 2013 and existing claimants will have their accommodation assessed from the anniversary date of their claim and there will be no transitional protection.

Numbers affected by the under-occupancy penalty.

We have estimated that we have approximately 2883 working-age housing benefit households in social housing who are under-occupying in Wiltshire.

2394 of these households have been positively identified and live in Selwood, Aster, Greensquare or council homes.¹ The remaining 489 represent an estimate based on the percentage of under-occupation in these properties, applied to other social stock in Wiltshire.

Of the 2883, 2442 are under-occupying by 1 bedroom (14% cut to HB) and 441 are under-occupying by 2+ bedrooms (25% cut).

Financial implications – under-occupancy

Of the 2883 households affected by the under-occupancy penalty, the housing benefit reductions are given below. Numbers in red represent households most at risk of being unable to afford their rent:

<i>Reduction to HB per week</i>	<i>Percentage</i>	<i>Numbers of households</i>
£30-£40	0.3%	9
£20-£30	12.9%	372
£10-£20	73.3%	2113
£5-£10	9.4%	271
<£5	4.1%	118

3. Main Considerations for the Council

¹ Aster have conducted their own analysis, at the address-level.

To try and facilitate moves for working age housing benefit households to help reduce the impact of arrears and potential evictions we need to prioritise these households within the Homes4Wiltshire policy. Currently households who are under occupying are assessed as being Gold. To ensure we maximise opportunities for households to downsize to more suitable accommodation that meets the needs of the family, and free up larger family accommodation, we propose to introduce an additional local reasonable preference criteria to allow this group to be awarded Gold plus status

On the 1st July 2012 we had a total of 17,753 on our housing register. A breakdown of the register across all the bands is detailed below.

Banding	Total numbers on register	% Total QTR1 housing register
Platinum	199	1.12%
Gold Plus	521	2.93%
Gold	3739	21.06%
Silver	5366	30.23%
Bronze	7928	44.66%
Total QTR1	17753	

Under the current policy, 521 (2.93%) of the households have been allocated Gold plus. If this policy change was to go ahead we could see this band increase to 951, which would equate to (5.23%) of the register.

These applicants would be deemed transfer applicants and although they would be allocated a social home, they would also be making available a larger property for re-let to other households on the register, therefore making best use of our limited social housing stock.

To ensure we comply with the new allocation guidance we were also required to conduct a full three month consultation on the proposal to amend the allocation policy. The three month consultation period ran from 31st August to 30th November. All responses received were in support of this policy change.

The proposed policy change has also been discussed at the Homes4Wiltshire partnership group and Wiltshire's strategic tenant participation group and all are in support of this policy change to help facilitate urgent moves for those households most affected by the housing benefit policy change within the Welfare Reform Act

4. Environmental Impact of the Proposal

There is no identified environmental impact from the proposal in this report.

5. Equalities Impact of the Proposal

The policy detailed herein aims to deliver quality services without prejudice and discrimination to meet the needs of all households, regardless of age, cultural or ethnic background, disability, gender, marital status, religious or political persuasion or sexual orientation and will adhere to the equality and diversity policy developed by Wiltshire Council.

6. Financial Implications

None of the recommendations put forward by the Homes 4 Wiltshire Partnership are expected to increase costs in the revenue budgets of Wiltshire Council. However, the amendment should help reduce the amount of households who end up in rent arrears due to reduced benefit following the implementation of the welfare reform.

7. Legal Implications

Following the introduction of the Localism Act and revised allocation guidance we were required to conduct a three month consultation on this change. Our three month consultation ran from 31st August until 30th November 2012.

8. Proposal

It is recommended that Cabinet introduce an additional reasonable preference criteria within the Gold plus band as follows:-

- Under Occupation – This applies to any working-age, social sector households in Wiltshire who is under-occupying by two or more bedrooms and who would suffer financial hardship if they remained in their existing home.

Report Author: Nicole Smith
Head of Strategic Housing
Nicole.Smith@wiltshire.gov.uk Tel 01249 706567

Date of report: 3 December 2012

Appendices

Appendix A: Homes4Wiltshire policy
