

<b>STRONG AND SUPPORTIVE COMMUNITIES SCRUTINY COMMITTEE</b>	<b>Agenda Item No. 7</b>
<b>Date: 16<sup>th</sup> January 2013</b>	<b>Public Report</b>

## Report of the Housing Needs Manager

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### Peterborough Homes Allocations Policy

#### 1. PURPOSE

- 1.1 The purpose of this report is to present to the committee the updated Common Housing Allocations Policy following a period of public consultation.

#### 2. RECOMMENDATIONS

- 2.1 The committee is asked to review the final draft of the policy along with the summary of responses to the consultation, which concluded on the 30 December 2012 and if in agreement give authorisation to present to Cabinet for onward presentation to Full Council for adoption.

#### 3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1 Providing affordable, warm, safe and secure housing is the cornerstone of a strong society, and the Common Housing Allocations Policy is one of the vehicles available to the council and its social landlord partners to achieve this.

Whilst this work cuts across the entire Sustainable Community Strategy, it most closely aligns with the priority to achieve strong and supportive communities.

#### 4. BACKGROUND

- 4.1 Peterborough City Council currently operates the Peterborough common housing register in partnership with 10 Registered Social Landlords (RSLs) that have accommodation in Peterborough.
- 4.2 Currently Peterborough operates an open Housing Register, open to all who may wish to apply as long as they are 16 or over, except where:
- They do not have a right to reside in the UK, or
  - They have previously been guilty of unacceptable behaviour, which would make them unsuitable to be a tenant
- 4.3 Having such an open register has meant that over the last few years we have seen a large increase in the number of live applications. As of the 23 December 2012 there were 9880 live applications, prioritised into 5 bands determined by the applicant's housing need and are broken down as follows:

416 Applicants in band 1 (highest priority)  
3351 Applicants in band 2  
1343 Applicants in band 3  
3455 Applicants in band 4  
1315 Applicants in band 5 (lowest priority)

- 4.4 Unfortunately such is the demand for general needs accommodation most of the applicants in bands 4 and 5 will never be successful for an allocation of accommodation. Between April 2011 and April 2012 we allocated 1258 properties through our choice based lettings scheme. During the same period we accepted 2678 new applications.
- 4.5 The Localism Act 2011 made an amendment to the Housing Act 1996, which gave local authorities the power to set their own qualifying criteria for people who are allowed to join the housing register. This allows councils to restrict entry to the housing register to those who are in the most housing need as well as allowing exclusions for other reasons based on local criteria.
- 4.6 The proposed amended allocations policy makes full use of these powers by setting the entry criteria to the housing register to those who are in the most urgent housing need. This includes:
- Homeless households
  - Those who are threatened with homelessness
  - Those living in insanitary or unsatisfactory housing conditions
  - Those who need to move for social/welfare reasons, or
  - Those for whom failure to assist in moving will cause particular hardship
- 4.7 In addition it is proposed that we will only accept applications from those who have a connection with Peterborough. A connection will be established:
- By having lived in the area for 6 of the last 12 months or 3 of the last 5 years
  - By having immediate family members who live in the area and have done for the last 5 years
  - For those who are working in the city
  - For those who need to move to the area for special reasons e.g. in order to receive specialist medical care
- 4.8 Also we propose to exclude applicants who own suitable accommodation or those who have sufficient financial resources from joining the housing register. However this will not apply to those who are over 55 and eligible for sheltered accommodation.
- 4.9 Those who have previously behaved in an unacceptable manner will continue to be excluded from applying. This will be more rigidly defined to the following categories:
- The Council (or in the case of transfers, the relevant Housing Association) is satisfied that the applicant or a member of their household has previously been guilty of unacceptable behaviour, which would make them unsuitable to be a tenant, or
  - The applicant or a member of their household has been served with an injunction by a council or their landlord to stop them behaving in a way which causes nuisance or annoyance to others, or
  - The applicant or a member of their household has current tenancy arrears in excess of 8 weeks rent, or
  - The applicant or a member of their household has any outstanding former tenant arrears
- 4.10 This will mean that a number of applicants who are not considered to be in housing need will be removed from the Housing Register.

#### 4.11 **Welfare Reform & the Bedroom Standards Policy**

Current benefit rules mean that tenants who are currently living in social housing are not subject to having their property assessed against the size criteria housing benefit use when assessing eligibility in the private sector. This means that applicants renting a property from a local authority or housing association and who rely wholly on benefits income will receive the housing benefit to cover their full rent irrespective of the size of the property they occupy.

Changes brought about by the reform of the Welfare Benefits system means that from April 2013 households in receipt of housing benefit who are living in social housing will be assessed to determine what size property they require based on the same criteria as if they were renting in the private sector: The criteria is as follows:

1 Bedroom for:            every adult/couple  
                                 any other adult aged 16 or over  
                                 any two children of the same sex  
                                 any two children regardless of sex under age 10  
                                 any other child

Any household assessed under these criteria who is deemed to be occupying a property larger than they require will have their housing benefit reduced by:

- 14% if they are under occupying by 1 bedroom, or
- 25% if they are under occupying by 2 or more bedrooms

The current allocations policy does not mirror this criteria and is more generous in terms of the number of bedrooms we allow applicants to apply for. Our current bedroom standards policy is as follows:

1 Bedroom for:            every adult/couple  
                                 any member of the household over 10 years of age  
                                 any two children of the same sex under the age of 10 (where there is less than 5 years difference between them)  
                                 any other child

We propose to bring the bedrooms standards policy in line with the criteria to be applied from April 2013 as failing to do so would put families at greater risk of being placed into poverty – a reduction of housing benefit would mean they would have to find the rent shortfall from other benefit income.

In addition this places an additional burden on our Housing Association partners as they are likely to see an increase in families in rent arrears as they are unable to meet the shortfall in benefit. This could ultimately lead to households being subject to eviction action and becoming homeless as a result.

#### 4.12 **Additional Preference**

Recent statutory guidance highlighted that local authorities have the power to frame their allocations policies to give additional preference to particular groups of people. The guidance recommends that Local authorities consider how they can use their allocation policies to support those households who want to work, as well as those who – while unable to engage in paid employment - are contributing to their community in other ways, for example, through voluntary work.

In addition local authorities can frame their allocations policy to give additional preference to serving and former members of the armed forces. With this in mind it is proposed that additional preference is awarded to applicants who:

- **Have strong local connections with Peterborough** - Additional preference will be given to applicants who can demonstrate a substantive and long-standing local connection through 5 years continuous settled residence in the city

- **Are working or are in training for work** - Peterborough's economic growth is a key priority for the authority. We want to encourage people, who can, to work and seek to raise levels of aspiration and ambition. We will give additional preference to applicants who are working and who are therefore making a contribution to Peterborough's economy. Working households are defined as households where at least one adult member is in employment within Peterborough unitary authority boundary. For the purposes of this Allocations Scheme employment is described as having a permanent contract, working as a temporary member of staff or being self-employed. Applicants would normally only qualify for the additional preference if the worker has been employed for 9 out of the last 12 months and has been working for a minimum of 16 hours per week. Peterborough City Council does however recognise the important role part-time workers play within the local economy and want to reward those who are making a concerted effort to get back into work. Such activities may include participating in partner RSL's back to work schemes
- **Are making a community contribution** - People who play a part in making their neighbourhood strong, stable and healthy, those who help make it a good place to live, work and play are a valuable resource. They are the backbone of their community, and they need to be recognised for those efforts. Applicants will receive additional preference if they are able to demonstrate that they, or anyone moving with them, undertakes voluntary work for at least ten hours per month and has done so for at least six months continuously
- **Are members of the armed forces – This applies to:**
  - former members of the Armed Forces
  - serving members of the Armed Forces who need to move because of a serious injury, medical condition or disability sustained as a result of their service
  - bereaved spouses and civil partners of members of the Armed Forces leaving Services Family Accommodation following the death of their spouse or partner
  - serving or former members of the Reserve Forces who need to move because of a serious injury, medical condition or disability sustained as a result of their service

This includes people who have served in the Royal Navy, Royal Air Force and British Army, with the exception of those who have been dishonourably discharged.

Applicants who are awarded additional preference would receive priority over an applicant in the same priority band, who does not have additional preference, irrespective of the length of time they have been in the band.

## 5. KEY ISSUES

### 5.1 Public Consultation

Following agreement from cabinet we commenced a 12 week public consultation, which ran from the 6 October 2012 until the 30 December 2012. A consultation questionnaire was sent to all applicants who had a live application on the Common Housing Register; an electronic version of the questionnaire was sent by email to anyone who had previously received a copy of our weekly choice based lettings publication and it was made available to view on the Council's website where members of the public could complete the questionnaire online.

The consultation period has just concluded and we received 563 completed questionnaires and some additional comments, which have been captured in the summary of responses report.

## 5.2 Changes Following Consultation

### 5.2.1 Sufficient Resources

As part of the changes we intend to restrict entry to the register to those households who have sufficient financial resources to resolve their own housing situation by way of out right property purchase, being able to obtain a mortgage or by renting in the private sector. As part of the consultation we asked how much was a reasonable level of income and/or savings to set as the limit for entry to the register.

In the consultation questionnaire we set the limit on income to £60,000 as this was also the lower figure in the High Income Social Tenants Pay to Stay Consultation paper, which the department of communities and local government put out in June and the savings limit to £16,000 as this is the maximum amount of savings you are allowed to still be eligible to receive Housing Benefit.

Of those that had responded 267 felt the income limit of £60,000 was too high, 218 felt it was about right and only 40 felt it was too low. Many of the respondents suggested that an income limit of around £40,000 would be more appropriate. Therefore in the final draft of the proposed policy those with a household income in excess of £40,200 will be excluded from applying, except where they are aged over 55 years of age and would like to be considered for sheltered accommodation, but they will only be considered for accommodation of this type.

Most of the respondents felt that the savings limit of £16,000 was about right so this will be unchanged in the final draft.

### 5.2.2 Bedroom Standards Policy

We also propose to amend the current bedroom standards policy to mirror that used by the Department of Work and Pensions in assessing housing benefit entitlement for those renting in the private sector. The criteria is as follows:

1 Bedroom for:

- every adult/couple
- any other adult aged 16 or over
- any two children of the same sex
- any two children regardless of sex under age 10
- any other child

Changes as a result of the Welfare Reform Act 2011 due to be implemented in April 2013 mean that any household assessed under these criteria who is deemed to be occupying a social housing tenancy and is in receipt of housing benefit will have a reduction applied. The reductions are:

- 14% if they are under occupying by 1 bedroom, or
- 25% if they are under occupying by 2 or more bedrooms

By bringing the bedrooms standards policy in line with the criteria to be applied from April 2013 we are attempting to reduce the risk of more families being placed into poverty – a reduction of housing benefit would mean they would have to find the rent shortfall from other benefit income.

In addition this places an additional burden on our Housing Association partners as they are likely to see an increase in families in rent arrears as they are unable to meet the shortfall in benefit. This could ultimately lead to households being subject to eviction action and becoming homeless as a result.

As part of the consultation we asked whether the respondents agreed with these proposals. Of those that completed the questionnaires 392 agreed and 61 disagreed, 82 were not sure. While the majority agreed with the proposals many that disagreed made strong comments around the difficulties of children with learning and physical disabilities sharing bedrooms.

Therefore after consulting with the Housing Needs medical advisor we have proposed in the final draft of the policy to allow discretion to award an extra bedroom entitlement to those who require it because they have a member of the household who is disabled and to registered foster carers.

- 5.3 We would like the committee to agree the changes contained in the final draft of the amended policy in conjunction with the consultation summary document and approve the final draft to be taken for approval by Cabinet.

## **6. IMPLICATIONS**

- 6.1 The housing register will reduce in size and the entry criteria to the housing register will be more restrictive, however the proposed amendments will be applied Peterborough-wide so it is not anticipated that any particular groups will be disproportionately affected by the changes.

## **7. CONSULTATION**

- 7.1 We have just concluded a full 12-week public consultation on the proposed changes. A copy of the consultation questionnaire and a summary of responses are enclosed. The consultation questionnaire was sent to all applicants who had a live application on the Common Housing Register; an electronic version of the questionnaire was sent by email to anyone who had previously received a copy of our weekly choice based lettings publication and it was made available to view on the Council's website where members of the public could complete the questionnaire online.

## **8. NEXT STEPS**

- 8.1 Following approval by the committee the final proposed document will be presented to Cabinet and Full Council for approval and adoption.

## **9. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 9.1 Communities and Local Government Allocation of Accommodation: guidance for local authorities in England June 2012

Part VI of the Housing Act 1996, as amended by the Homelessness Act 2002

The Localism Act 2011

## **10. APPENDICES**

- 10.1 Appendix 1: Final draft proposed Common Allocations Policy  
Appendix 2: Consultation Questionnaire  
Appendix 3: Summary of responses to consultation