

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Housing Portfolio Holder

13 June 2012

**AUTHOR/S:** Housing Director

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### INTERIM AMENDMENTS TO THE LETTINGS POLICY

#### Purpose

1. To seek agreement to make interim changes to the Council's existing lettings policy in order to enable applicants to bid for properties that meet the Local Housing Allowance (LHA) size criteria.
2. To seek agreement that all properties within the Council's stock (other than that designated as sheltered accommodation or for those over pensionable age), will be available for letting to general needs households, without age restrictions.
3. This is not a key decision because at this stage only interim amendments are being requested. Applicants will continue to be able to choose between the size of property they are eligible for under the existing lettings policy and / or the size of property that meets the criteria for the LHA for their household size.

#### Recommendations

4. That the Housing Portfolio Holder agrees to the amendments to the lettings policy to take immediate effect to enable:
  - (a) Option A - Applicants to bid on the appropriate size of property for their household in line with the LHA criteria.
  - (b) Option C - The Council to treat all properties (except those specially identified as sheltered housing or housing for people of pensionable age) as general needs accommodation without any age criteria/ restrictions.

#### Reasons for Recommendations

5. This enables the Council to make interim amendments whilst the lettings policy is reviewed sub-regionally and a full consultation exercise is carried out.
6. The recommendation also enables us to minimise the impact of forthcoming Housing Benefit changes on households taking on a new Council tenancy in the coming 10 months.

#### Background

7. As part of the Welfare Reforms, housing benefit will be reduced for working age tenants of social rented properties who are under-occupying their properties. The Housing Benefit regulations stipulate that one bedroom is required for the following:
  - adult couple
  - other person aged 16 or over
  - any two children of the same sex up to the age of 16

- any two children regardless of sex under the age of 10
  - any other child.
8. Housing Benefit will be reduced by 14% for those under-occupying by 1 bedroom and 25% for those under-occupying by 2 bedrooms.
  9. There are no interim provisions for this and it will come into effect from April 2013.
  10. We are currently working with our sub-regional partners to review the lettings policy, taking into account the welfare reforms and provisions for members of the armed forces.
  11. This review will include a three month consultation period and a final report to the Portfolio Holder in November 2012.

### **Considerations**

12. Our existing matching policy (attached), does not enable us to allocate accommodation in line the new LHA limitations. For example, it does not enable us to allocate a 2-bedroom property to a family with two-children. However, under the LHA regulations, a family with two children would only be entitled to a two bedroom property, unless the children were of opposite sex and one was 10 or over. This will mean that such families will not receive the full amount of housing benefit to cover their rent.
13. It is therefore proposed that the matching policy is amended with immediate effect to enable properties to be offered in line with the forthcoming changes to social housing where the LHA regulations on size will be applied.
14. The Council will not impose this matching criteria until full consultation has been undertaken, however, we will write to all applicants and advise them of the LHA size criteria when bidding and its financial implications for them if they choose to take on the tenancy.
15. In addition, it will be necessary to let all property types, including bungalows (excluding those designated for the elderly) to general needs applicants rather than the current policy of restricting these to over 40's. This is because:
  - (a) There will be higher levels of need from households requiring 2 bedroom homes and the Council needs to maximise the opportunities to alleviate some of this two-bedroom housing need.
  - (b) It will not be possible in future to offer two bedroom homes to single applicants or couples due to the LHA restrictions.

### **Options**

16. A - To agree to the proposed interim amendments, to enable the Council to minimise the number of new tenants entering social rented accommodation that will have their housing benefit restricted due to the LHA size criteria being applied to these properties from April 2013.
17. B - To continue to allocate using our existing matching policy only, until a full review of the lettings policy has been concluded and consultation has taken place. This will

mean we are offering some households no option but to bid on properties they may not be able to afford after April 2013.

18. C - To remove all age restrictions on properties (other than those designated for the elderly) to help address the high demand, in particular for one and two bedroom properties.
19. D - To continue to apply the age restrictions, for example 40+ year olds, to some properties.

### Implications

20. Financial	A number of SCDC tenants are currently under-occupying, based on the LHA size criteria and will therefore have their housing benefit reduced from April 2013. The interim arrangements will help to minimise the number of additional cases allocated properties between now and April 2013 when the LHA size criteria is applied to social rented properties.
Legal	Lettings are made in accordance with Part 6 of the 1996 Housing Act. Significant changes require full consultation and therefore interim arrangements as described in this report are requested at present.
Staffing	None
Risk Management	There is a significant risk in continuing to give no option to applicants other than to offer them a property for which their housing benefit entitlement will be restricted, if we do not take interim measures.
Equality and Diversity	The interim measures can be applied to all households, however, those of pensionable age will not be affected by the LHA restrictions and therefore our attention will focus on working age applicants.
Equality Impact Assessment completed	Yes A further EQIA will be completed for the draft and final revised lettings policy.
Climate Change	None

### Consultations

21. Full consultation is planned for the sub regional review of the lettings policy.

### Consultation with Children and Young People

22. None

### Effect on Strategic Aims

23. ***We will make sure that South Cambridgeshire continues to offer outstanding and sustainable quality of life for our residents***  
The interim measures will enable new tenants to sustain their homes and therefore their quality of life.

### **Conclusions / Summary**

24. As part of the welfare reforms, tenant's under-occupying social rented accommodation will have their housing benefit entitlement reduced from April 2013.
25. Our existing lettings policy does not match the size criteria of the LHA.
26. The Council is working with the Cambridge sub region to review the lettings policy and this needs to go through a three-month consultation period and approval process.
27. It is therefore important to consider some immediate interim amendments to our existing lettings policy in order to minimise the impact on new tenants having their housing benefit entitlement reduced after April 2013.

**Background papers:** None

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