

**Summary Sheet**

**Council Report**

Cabinet and Commissioners' Decision Making Meeting – 9<sup>th</sup> January 2017

**Title**

Amendments to the Housing Allocation Policy

**Is this a Key Decision and has it been included on the Forward Plan?**

Yes

**Strategic Director Approving Submission of the Report**

Anne Marie Lubanski, Strategic Director Adult Care and Housing

**Report Author(s)**

Name and Job Title: Sandra Tolley, Housing Options Manager

**Ward(s) Affected**

All

**Executive Summary**

On 6<sup>th</sup> August 2015 a revised Allocation Policy was implemented. However, one of the proposals regarding Council tax arrears was deferred due to representation having been made following the publication of the Commissioner's 'minded to agree' decision on 6<sup>th</sup> August 2015. It was agreed that further analysis / exploration of legal implications was required and a clear procedure should be developed if Council Tax arrears could be taken into account in deciding whether an applicant is eligible to join the Housing Register.

This work has now been completed and the purpose of this report is to update Cabinet of the findings. Due to the legal advice given on this issue it is not recommended that Council Tax debt be included in the Allocations Policy.

At the same time six amendments are recommended which aim to increase tenancy sustainability, take into account lessons learned over the past 12 months, changes brought about by the Welfare Reform and Work Act 2016 and to prepare for the Homelessness Reduction Bill:

- a) Introduction of a programme of pre-tenancy workshops and support for all prospective new tenants that either have no prior experience of managing a tenancy, or have previously had a failed tenancy. This should significantly improve tenancy sustainment levels particularly for vulnerable young people.
- b) Introduction of pre-housing register housing options interviews which will give new customers an opportunity to learn about Rotherham Council homes and

other affordable housing options. It also helps us to understand the needs of our customers, giving tenancies the best possible start

- c) Since the current Allocations Policy was implemented in August 2015 there has been an increase in the number of tenants requesting a housing transfer in Band 4 within the first two years of their tenancy. It is therefore proposed to place restrictions on tenants transferring within the first two years of their tenancy.
- d) Setting rent allowances at a consistent level for existing tenants and new tenants, by either issuing a rent allowance of up to a maximum of five working days or stopping the use of rent allowances for new lettings and transfers. Currently, existing tenants who transfer to another home within the Council's stock are allocated an allowance of a minimum of 14 days, whereas new tenants are allocated an allowance of a maximum of five working days.
- e) Giving preference in the Allocation Policy to single people under the age of 35 for bedsits. This will help single applicants under the age of 35, who will be affected by the introduction of the Local Housing Allowance single room rate in April 2018, to access affordable accommodation.
- f) Setting housing register qualification criteria that does not disqualify homeless households that are owed a reasonable preference from joining the housing register. In short, if the local authority decides that a person is owed a reasonable preference under homelessness legislation, the residency local connection criteria should allow the applicant to join the register.

### **Recommendations:**

That the changes to the Allocation Policy be approved as follows:

- 1) Mandatory requirement for applicants who have no experience of running their own home, or where a previous tenancy has failed, to attend a pre-tenancy workshop.
- 2) Mandatory requirement for all applicants to undertake a housing options interview before joining the housing register.
- 3) New tenants should not be allowed to apply to transfer within the first two years of their tenancy.
- 4) No rent allowances are issued to new tenants or existing Council tenants.
- 5) Bedsits are let to single people or couples giving preference to single people under the age of 35.
- 6) Include homeless applicants owed a reasonable preference to the list of applicants who are exempt from the Local Connection Criteria rules.

### **List of Appendices Included**

Appendix 1 - Impact of Council Tax debt for the Housing Allocations Policy

### **Background Papers**

Housing Allocation Policy (August 2015)

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**  
24th July 2015 - Overview and Scrutiny Management Board

26th September 2016 - Rotherfed Board meeting  
11<sup>th</sup> October 2016 - Quality and Standards Challenge Group  
30<sup>th</sup> November 2016 - Improving Places Select Commission

### **Council Approval Required**

No

### **Exempt from the Press and Public**

No

## **Amendments to the Housing Allocation Policy**

### **1. Recommendations**

That the changes to the Allocation Policy be approved as follows:

- 1) Mandatory requirement for applicants who have no experience of running their own home, or where a previous tenancy has failed, to attend a pre-tenancy workshop.
- 2) Mandatory requirement for all applicants to undertake a housing options interview before joining the housing register
- 3) New tenants should not be allowed to apply to transfer within the first 2 years of their tenancy.
- 4) No rent allowances are issued to new tenants or existing Council tenants.
- 5) Bedsits are let to single people or couples giving preference to single people under the age of 35
- 6) Include homeless applicants owed a reasonable preference to the list of applicants who are exempt from the Local Connection Criteria rules.

### **2. Background**

#### **2.1 Overview of previous decisions**

2.1.1 The Council's previous Housing Allocation Policy had been in place since 29<sup>th</sup> October 2014. A significant change was made during 2014 to ensure that only those in housing need were eligible to join the Register, resulting in a reduction by over 10,000 applicants. As a consequence of this change, the Council had a number of 'low demand' properties that were not being let, and this was the driver for amendments to the Policy in Summer 2015. A new priority band 4 was created to allow people who are not in housing need, to bid for low-demand properties.

2.1.2 The policy was reviewed and a report provided to the Overview and Scrutiny Management Board (OSMB) on 24<sup>th</sup> July 2015, setting out this and various other proposed changes. The majority of the proposed amendments were supported by OSMB. However, one of the recommendations, regarding Council Tax debt (and whether it should be included in the £800 limit for an applicant's overall level of debt), was not supported.

2.1.3 On 6<sup>th</sup> August 2015, the Council's Commissioner and Managing Director issued a 'minded to agree' decision to approve the revised Allocations Policy (and this was implemented accordingly from this date), but took into account the views of

OSMB with respect to Council Tax. The Council's Commissioner and Managing Director decided that Council Tax debt should be taken account of, but the value of the debt not grouped with other debts, and applicants would be eligible to join the Register provided that an active payment plan was in place.

2.1.4 Following publication of the 'minded to agree' decision, representation was made by an Elected Member. Consequently the Council's Commissioner and Managing Director agreed to delay the Council Tax proposal to allow further opportunity to consider the legal implications, undertake a detailed analysis, consider any data protection issues and develop a procedure for Council Tax debt.

2.1.5 This work has now been completed and details of the findings can be found in Appendix 1.

2.1.6 However, further legal analysis suggests that it would be unlawful to disqualify applicants from the housing register based on their Council tax arrears. Therefore the purpose of this report is to provide an update of findings following the original proposal and recommend that Cabinet does not proceed with the original proposal to include a qualifying requirement in the Allocation Policy relating to Council tax arrears. Cabinet is asked to approve five amendments to the Allocations Policy, to take into account lessons learned over the past 12 months and changes brought about by the Welfare Reform and Work Act 2016.

## **2.2 New proposed change aimed at improving tenancy sustainment**

2.2.1 Analysis of recent tenancy termination data shows that the majority of 'negative terminations' of tenancies (evictions and tenancy abandonments) are due to affordability and anti-social behaviour issues. By offering a programme of pre-tenancy awareness sessions and pre-housing register interviews, the Council could significantly improve tenancy sustainability levels particularly for vulnerable young people. This report proposes that pre-tenancy workshops be implemented for all prospective new tenants that either have no prior experience of managing a tenancy, or have previously had a failed tenancy. In addition it is proposed that it is made mandatory for all new tenants to undertake a pre-housing register interview before joining the housing register. Improved tenancy sustainability will be evaluated 12 months following the implementation date of the policy.

2.2.2 The table below shows that during June 2016, from a total of 123 terminations 28 potentially could have been prevented from failing if the tenant had received more awareness of the responsibilities of being a tenant and where to go for help before they signed the tenancy agreement.

<b>Termination Reason</b>	<b>Number terminated</b>
Suffered Antisocial Behaviour	3
Evicted for Antisocial Behaviour	1
Evicted for Arrears	7
Fear of crime	2
Financial Difficulties	5
Moved in with partner	3
Problems with getting on with their Neighbour	2

Went back to family for support	5
<b>Total number of terminations that could have been prevented</b>	<b>28</b>
<b>Total number of terminations in June 2016</b>	<b>123</b>

2.2.3 Research shows that by providing support and more information to new tenants, tenancies are more likely to be sustained. Officers have networked with other organisations who are already offering this support, to identify best practice. It is proposed to implement a programme of support for applicants with no prior experience of managing a tenancy, or who have previously had a failed tenancy.

2.2.4 These workshops will be developed with the help of Rotherfed and young people. The workshops can include agreeing topics such as:

- **Moving and setting up a home** - bidding for properties, furnishing, decorating a home and connecting to utilities, obtaining a TV licence and basic home maintenance skills
- **How to keep a tenancy** - applying for benefits, avoiding breach of a tenancy through rent arrears
- **Managing a budget** - dealing with debt, using a bank, budgeting and loans advice.

There will be workshop criteria which applicants will need to follow to qualify to join the register. If the criteria are not met the applicant will need to rebook. The criteria will include:

- Attending the workshop on time and being respectful to other people at the workshop. Anyone who demonstrates anti-social behaviour will be asked to leave the workshop.
- Completing and engaging in the workshop.

2.2.5 The introduction of pre-tenancy workshops for new people wishing to join who have had no experience in running their home, or where a previous tenancy has failed will mean that an average of 12 applicants will need to attend a workshop each week. The programme can be developed with the help of young people and delivered in-house by the Financial Inclusion team / Housing Advice team. There is currently a Housing Income Service review which proposes that there will be a team in place to provide independent financial assessments prior to lettings and intensive tenancy support at the commencement of a tenancy.

2.2.6 The policy would be implemented for new applicants, and existing applicants who are already on the housing register will not be required to attend a workshop. This is because the task would be too resource intensive as the existing housing register contains 6457 applicants, of whom 1929 applicants meet this criteria (see below)

- Living with family or friends = 1592
- Sleeping rough = 8
- No fixed abode = 279
- In hostels or temporary accommodation = 47

- In bed and breakfast = 3
- **TOTAL 1929**

2.2.7 In order to free up staff time to undertake the pre-housing register interviews, housing register processes will be amended and streamlined. Currently applicants apply on-line and then each applicant is sent a letter to request proof of income, address and identification. Once this is received their application becomes active. In many instances at least two or three letters or emails are sent reminding applicants to supply the information otherwise their application remains in-active. This is not only time and resource intensive but incurs printing and postage costs. There are currently 1261 inactive applications where applicants have not provided information so they will not be able to make requests. The benefits for the customer of a pre-tenancy interview are that customers will be provided with information about all affordable housing options at the start of the application process. As the proofs of identity will be provided at the pre-tenancy interview stage, the customer will be able to make bids earlier than with the current processes.

### **2.3 New proposed change to reduce the number of tenants transferring within the first two years of their tenancy**

2.3.1 Another proposed change is intended to reduce tenancy turnover rates. Since the current Allocations Policy was implemented in August 2015 there has been an increase in the number of tenants requesting a housing transfer in Band 4 within the first two years of their tenancy, which in turn creates more voids and reduces sustainability within neighbourhoods.

2.3.2 As at 15<sup>th</sup> July 2016 the number of applicants in each band was:

- Band 1 = 251
  - Band 2 = 1608
  - Band 3 = 1695
  - Band 4 = 1678
  - Transfer = 1225
- TOTAL 6457**

2.3.3 The above table shows that the total number of households on the register is 6457. There are 1678 applicants in Band 4 and of these, 214 are existing Council tenants. This is because the existing policy prevents applicants who have not held their tenancy for two years to join the transfer band, but allows these tenants to join Band 4. Since August 2015, 22 tenants have moved to another Council home via Band 4. It is therefore proposed that the policy be amended to prevent any new applications from existing tenants being able to join Band 4. It is however proposed that the existing (214) tenants registered in band 4 remain eligible.

2.3.4 There may also be some instances where a tenant needs to move before the two year period, these individual cases will be considered by a Housing Assessment Panel who would have delegated powers to overrule this policy and allow a tenant to join Band 4.

2.3.5 There will be steps in place to advise all applicants that once they accept a Council tenancy they will be unable to re-join the register for two years unless they have a newly arisen housing need.

## **2.4 New proposed change to set rent allowances at a consistent level**

2.4.1 The proposed change is intended to ensure there is consistency with regard to issuing rent allowances for new lettings. This will also reduce expenditure within the Housing Revenue Account. For 2015/16 this equates to £220,499 loss to the Housing Revenue Account. Historically, existing tenants who transfer to another home within the Council's stock are allocated a rent allowance of a minimum of 14 days, whereas new non-former Council tenants, e.g. people moving from a private rented home, people moving out of temporary accommodation etc. are allocated an allowance of a maximum of five working days. This report proposes that existing Council tenants who are transferring within the Council stock are treated the same as new non-former Council tenants; by either issuing a rent allowance of up to a maximum of five working days or alternately stopping the use of rent allowances for new lettings.

2.4.2 There will be exemptions for vulnerable applicants who may need more time to move into a property and who require an allowance. Individual cases will be considered by either the Housing Options Manager, or the Housing Advice and Assessment Manager who would have discretion and delegated powers to overrule this policy. The criteria for this would be applicants who are placed in Band 1 in financial difficulties, or homeless applicants living in temporary accommodation, or safeguarding cases.

2.4.3 Sub regionally, Barnsley, Doncaster and Sheffield, do not issue rent allowances to existing tenants transferring within the Council stock or new non-former tenants. In Doncaster, with transfers if the tenant chooses not to move into their new home straight away, they are charged rent on both properties. In Sheffield, tenants who are transferring to another Council home are expected to move out of one property and into the new one virtually on the same day. They do not make rent allowances to cover any delays and there is a continuing liability for rent on the old property until the tenant hands in the keys. Therefore if they are late then they incur a charge on both properties. Barnsley do not offer rent allowances either for transfers or new tenants. Barnsley accepts two weeks' termination notice on a transfer, but invariably there is an overlap on rent payments.

2.4.4 The void process is currently being reviewed and this will facilitate an earlier advertising and viewing process. This will give tenants who are transferring to another Council home more time to prepare for their move.

## **2.5 New proposed change for the allocation of bedsits**

2.5.1 The Welfare Reform and Work Act introduces changes that will have an impact on single people under 35 years old as from April 2018 they will only be able to access the Local Housing Allowance shared room rate of circa £58 per week, this means that more young people will be moving into shared tenancies and bedsits.

2.5.2 The total number of households on the housing register is 6457, of these there are 1216 single people under the age of 35 of whom 317 are employed and 19 are on a Government scheme. These statistics show that the majority of single under 35s are not employed and would only receive the Local Housing Allowance shared room rate. It is therefore essential to develop affordable housing options such as bedsits for this client group. Furniture options are also being reviewed to help young people access accommodation.

2.5.3 Bedsits are a limited resource with only 75 bedsits (currently no voids) within the Councils stock. During the last 3 years the turnover and age profile of the new tenants was:

- 11 bedsits vacant during 2015/2016, of these 6 were let to people under 35
- 16 bedsits vacant during 2014/2015, of these 13 were let to people under 35
- 11 bedsits vacant during 2013/2014, of these 6 were let to people under 35

## **2.6. Proposed change to the exemptions from the Local Connection Criteria**

2.6.1 A revised Allocation Policy was adopted in December 2013 which incorporated a Local Connection Criteria so that a person qualifies to go on the Housing Register if they have a local connection to Rotherham for a minimum of 3 years. There are cases that are exempt from the Local Connection Criteria, one of these is where applicants are owed a fully homeless duty, e.g. homeless applicants accepted as owing a duty as defined in Part VII of the Housing Act 1996.

2.6.2 Many Council's applied the same exemption rules to the qualification criteria, but they remain at risk of being legally challenged because they have not added other exemption clauses for those who are owed a reasonable preference because the applicant is:

- Homeless, but not in priority need
- Homeless, but owed a duty by another authority
- Living in unfit or unsatisfactory housing, or have a medical or disability or pressing welfare reason to move

2.6.3 The Homeless Reduction Bill has received its second reading on 28 October 2016 and this was passed with overwhelming support by the Government. The third reading is early in the New Year followed by the Lords Scrutiny and it is likely to become law by Spring 2017. The Bill introduces requirements for local housing authorities to carry out homelessness prevention work with all those who are eligible for help and threatened with homelessness from 28 days to 56 days. Help would be provided for households whether they are in priority need under the 1996 Housing Act or not. It is therefore vital that the Allocation Policy is amended so that homeless households, not in priority need, are not excluded from the Allocation Policy due to Local Connection rules.

## **3. Key issues**



- 3.1 The introduction of the previously proposed policy regarding Council Tax may have increased the collection rates of Council Tax. However, legal advice has been obtained which suggests that the payment of Council Tax as qualifying criteria for joining the housing register would be unlawful and places the Council at risk of legal challenge.
- 3.2 Offering pre-tenancy workshops and pre-housing register, Housing Options interviews will reduce the number of negative tenancy terminations. This new model of undertaking pre-housing register interviews will also help to prepare for the pending Homelessness Reduction Bill by creating a more robust package of advice and assistance to prevent and relieve homelessness for all applicants regardless of priority need status. The pre-tenancy workshops will offer a range of skills including money management which will help to prevent people from being financially excluded and losing their homes. While this will benefit all new tenants, it will in particular benefit young vulnerable people. A further advantage of the scheme is that it will establish clear expectations around conduct and help to avoid anti-social behaviour and other neighbourhood problems.
- 3.3 Restricting tenants from transferring within the first two years of their tenancy will reduce the number of void properties and assist with creating settled neighbourhoods and reducing average void turnaround times and associated costs. The average cost of a void property is £2,095. The average cost of void repairs is £1,800 and the average number of weeks properties are void for is 28 days which means an average weekly rent loss of £73.71 multiplied by 4 weeks = £294.84. (£1,800 repairs + £295 void rent loss = £2,095).
- 3.4 Applying rent allowances consistently to both new and existing tenants will reduce expenditure to the Housing Revenue Account.

#### **4. Options considered and recommended proposals**

##### **4.1 Options aimed at improving tenancy sustainment**

- 4.1.1 Option One: Focus only on applicants who have previously had a failed tenancy (not to applicants who simply have no prior experience of managing a tenancy). While this would significantly reduce the resource requirement to deliver the service, it would have a limited impact on overall tenancy sustainability and is therefore not recommended.
- 4.1.2 Option Two - **Recommended option**: Make it mandatory for all new applicants with no experience of running their own home or where a previous tenancy has failed, to attend a pre-tenancy workshop before qualifying to join the Housing Register. This accords with best practice, will help to improve tenancy sustainment and the overall sustainability of our neighbourhoods.
- 4.1.3 Option Three - **Recommended option**: Make it mandatory for new applicants to attend a housing options interview before joining the housing register. The benefit of the pre-tenancy interviews is that the service will give new customers an opportunity to learn about Rotherham Council homes and other affordable housing options. It also helps the Council to understand the needs of the Council's customers, giving tenancies the best possible start. This would only

apply to new applicants who join the register following the change in policy rules.

## **4.2 Options to deal with the issue of current RMBC and housing association tenants transferring**

4.2.1 Option One: Continue to allow tenants to apply to transfer in Band 4 to a new Council home within two years of moving in. However, this would lead to high turnover and void costs. This option is therefore not recommended.

4.2.2 Option Two - **Recommended option**: Prevent current Council or housing association tenants from being able to join the housing register until they have been in their tenancy, with no tenancy breaches, for two years. (If however a Council tenant has a change in circumstances within the two year period and becomes in housing need, they will be placed into one of the priority bands).

## **4.3 Options to issue rent allowances consistently for all new lettings**

4.3.1 Option One: reduce the 14 day allowance to seven days for Council tenants transferring to another Council home. While this would significantly reduce the expenditure to the Housing Revenue Account the process remains inconsistent with new tenants. This option is therefore not recommended.

4.3.2 Option Two: reduce the 14 day allowance to a maximum of five working days. Allowances are issued up to the date when the gas uncap and test is undertaken. This enables the customer to move in and is a consistent approach. However, this option is not recommended as it is not consistent with the private sector and other local authorities.

4.3.3 Option Three - **Recommended option**: To be consistent with the private sector and other local authorities to reduce the expenditure significantly it is proposed that no rent allowances are issued. Rent will become payable by the customer from the start of all tenancies. In exceptional circumstances, individual cases will be considered by either the Housing Options Manager, or the Housing Advice and Assessment Manager who would have discretion and delegated powers to overrule this policy. The criteria for this would be applicants who are placed in Band 1 in financial difficulties, or homeless applicants living in temporary accommodation, or safeguarding cases.

## **4.4 Options for the letting of Council owned bedsits**

4.4.1 Option One: Continue to allocate bedsits in accordance with the current Allocation Policy. The current rule is that single people and couples over the age of 18 are eligible to bid for bedsits and the successful applicant will be the applicant who has been on the Housing Register for the longest period. This option is not recommended as single people under the age of 35 are competing with other applicants who can afford other housing options.

4.4.2 Option Two: **Recommended option**: Priority to be awarded to single people under the age of 35 for bedsits. This is due to the fact that bedsits are a limited resource with only 75 bedsits (currently no voids) within the Council's stock. The bedsits are rented out at circa £58pw, which is equivalent to the Local

Housing Allowance shared room rate. This means that bedsits are an affordable option for single people under the age of 35. Older single people and couples can afford a wider range of housing options as their Local Housing Allowance rate is for one bedroom at a higher rate of approximately £80 per week.

#### **4.5 Change to the exemptions from the Local Connection Criteria**

**4.5.1 Recommended approach:** Include homeless applicants owed a reasonable preference to the list of applicants who are exempt from the Local Connection Criteria rules. Adopting this new policy will ensure the Council is 100% safe from potential legal challenge around qualification criteria. The change will also make sure the policy meets the requirements of the new Homelessness Prevention Bill.

### **5. Consultation**

5.1 Consultation took place with RotherFed on 26th September 2016 and the Quality Standards and Challenge Group on 11th October 2016. Residents unanimously supported four of the five recommendations proposed in this report, but the recommendation regarding the removal of rent allowances was contentious. Of the 30 people consulted (across both meetings), 12 preferred to have the rent allowance as five working days for both new and transferring tenants, 11 were in favour of removing all rent allowances, while seven could support neither of these options. Further consultation will take place with Elected Members via Improving Places Select Commission on 30th November 2016.

5.2 As a result of a discussion at Rotherham's Strategic Housing Forum in April 2016, a multi-agency working group was set up to address the challenges facing single people under the age of 35, arising from changes to the welfare benefit system. This group is led by RMBC and includes representatives from housing associations and supported housing providers. The proposed policy changes have been discussed with this group and will be discussed further with the Strategic Housing Forum, dependent on the Cabinet's decision.

5.3 If the proposals are agreed, existing housing applicants will be sent a letter to inform them of the changes. The Housing Allocation Policy and Summary Guide will also be updated to reflect the changes. The cost of printing and postage will be contained within existing budgets. Steps will be put in place at the application and offer stage to make it clear that once the tenant has accepted a tenancy they won't be able to re-join the register for two years.

5.4 The pre-tenancy support services will be promoted at the application stage.

5.5 If the recommendations are approved, existing tenants will be informed of the policy changes through articles published in "Home Matters" which is the Council's Tenants Newsletter.

### **6. Timetable and Accountability for Implementing this Decision**

- 6.1. If Cabinet approves these recommendations the policies regarding rent allowances will be implemented with immediate effect.
- 6.2 There will be a timetable of staff training and briefing sessions for Members.
- 6.3 The tenancy support programme would commence following either procurement of a pre-tenancy workshop provider or development work of workshops to be delivered internally.
- 6.4 The Council's Housing Allocation Policy will be formally amended to reflect the changes, the new version published on the website and ICT changes made to commence on 1<sup>st</sup> April 2017.
- 6.5 A progress report to monitor the impact of the policy changes will be presented back to Cabinet in 12 months' time.

## **7. Financial and Procurement Implications**

- 7.1 Further decisions are required regarding the level of service to be provided as part of the pre-tenancy support programme and this will determine the cost. If the service is to be commissioned via an external provider, a budget will be allocated from the Housing Revenue Account. Procurement will take place in accordance with the Council's Standing Orders and Financial Regulations.
- 7.2 Alternatively, a lower level of service provision to facilitate a workshop for 12 applicants each week could be delivered within existing staffing resources within the Financial Inclusion team (Housing Income Service) and Housing Advice and Assessment Team (Housing Options Service), although this could potentially impact on other services. There is currently a Housing Income Service review which is awaiting final sign off. The review proposes that there will be a team in place to provide intensive tenancy support at the commencement of a tenancy.
- 7.3 By implementing restrictions to prevent tenants from transferring within the first two years of their tenancy (unless their circumstances change, placing them into a housing need category), this will reduce expenditure on void servicing and void rent loss to the Housing Revenue Account. The average cost of a void is £1,800 for the repairs team and average number of weeks properties are void for is 28 days which means an average weekly rent loss of £73.71 multiplied by 4 weeks = £294.84. This equates to £2,095 per void property (£1,800 repairs + £295 void rent loss = £2,095).
- 7.4 The rent allowance expenditure for new tenants during 2015/16 was £112,291, and for the first three months of 2016/17 rent allowance of £15,343 has been issued. The estimated projected spend for 2016/17 is circa £65,000. The reduction in spend from last year is attributed to the performance of the Contractors as the timeframe to undertake the gas uncap and test has now reduced to five working days. Rents have also reduced by 1% due to new legislation.

Expenditure for transfer allowances for 2015/16 was £108,208 and for the first three months of 2016/17 rent allowances of £20,767 have been issued.

Historically Council tenants who transfer to another Council home have been given two weeks to move. Options to issue rent allowances consistently for all new lettings would equate to a saving as follows:

<b>Options to issue rent allowances consistently for all new lettings</b>	<b>Average monthly transfers</b>	<b>Average weekly allowance</b>	<b>Savings for 2016/17 (7 months)</b>	<b>Potential Annual Savings</b>
Option 1 - Reduce the 14 day allowance to 7 days	44	73.71	22,703	38,919
Option 2 - Reduce the 14 day allowance to a maximum of 5 working days	44	73.71	29,189	50,039
Option 3a - no allowances issued for new tenants	127	52.65	46,806	80,239
Option 3b - no allowances issued for transfers – 2 weeks (based on 528 transfers in 2015/16)	44	73.71	45,405	77,838
<b>Option 3 – Total savings</b>			<b>92,211</b>	<b>158,076</b>

## **8. Legal Implications**

8.1 Careful consideration has been given to the original proposal to include the payment of Council Tax arrears as one of the qualifying criterion for joining the Council's housing register. However, the legal advice is that this would be held by the Courts as unlawful as an irrelevant consideration in terms of the overall aims and purpose of housing allocation policies. The policy should filter out those who are not suitable to be allocated Council accommodation and the payment of Council tax arrears does not bear directly on that. Therefore, should the original proposal be implemented, it would leave the Council susceptible to legal challenge. The remaining proposed changes to the allocations policy covered by this report are in keeping with the overall aims and purpose of housing allocation policies and are lawful.

8.2 Advice and assistance will be sought from Legal Services in relation to pre-tenancy workshop contracts. The Council must ensure that robust contractual arrangements are put in place, with clearly defined specifications.

## **9. Human Resources Implications**

9.1. If Cabinet approves the requirement for certain applicants to undertake pre-tenancy workshops, decisions will need to be taken regarding whether this will be delivered within existing staffing resources, or outsourced. If delivered within existing resources, a comprehensive review of processes within the team would need to be undertaken to allow officer time to be freed up to undertake this task.

## **10. Implications for Children, Young People and Vulnerable Adults**

10.1 The provision of pre-tenancy workshops is a homeless prevention tool which will help people to secure and sustain a home. This is of paramount importance to ensuring a stable home for families, the best start in life for children, and vulnerable adults. Good quality, stable homes also helps people to avoid financial hardship and can have a significant impact on people's health and wellbeing.

## **11. Equalities and Human Rights Implications**

11.1 The pre-tenancy workshops and interviews will ensure that as far as possible tenants are able to sustain independent living in their homes. The scheme helps to prevent homelessness across the borough, but especially helps those households on low incomes.

## **12. Implications for Partners and Other Directorates**

12.1 The proposals in the report have been produced in conjunction with officers engaged in Allocations, Housing Management and Tenancy Support. The Council is working with partner agencies, specifically around helping under 35 year olds to access and sustain a home, and proposals have been developed in conjunction with these organisations.

12.2 The proposals are likely to bring indirect benefits for other directorates and partners, particularly in reducing homelessness for families with children and contributing to local targets on homelessness prevention and financial inclusion / capability.

## **13. Risks and Mitigation**

13.1 There are no anticipated risks associated with approving the recommendations in this report.

13.2 The risks associated with not approving the report are that:

- New, vulnerable tenants will be at higher risk of failing their tenancy without support.
- New tenants will continue to be able to apply to transfer early into their tenancies, thereby increasing void reservicing costs and reducing the sustainability of neighbourhoods.

## **14. Accountable Officers**

**Tom Bell, Interim Assistant Director Housing and Neighbourhood Services**

Approvals obtained from:

Strategic Director of Finance and Corporate Services: - Kath Andrews, Principal Finance Officer

Director of Legal Services: - Neil Concannon, Service Manager– Litigation

Director of Procurement - Lorna Byne, Senior Procurement Category Manager

Human Resources– Odette Stringwell, Human Resources Business Partner