

**CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS**  
**20th May, 2013**

Present:- Councillor McNeely (in the Chair); Councillors Astbury and Goulty.

**J1.           DECLARATIONS OF INTEREST**

There were no Declarations of Interest made at the meeting.

**J2.           REVIEW OF COUNCIL HOME SIZE IN RESPONSE TO BEDROOM TAX**

The Director of Housing and Neighbourhoods presented a report on the effect the ‘bedroom tax’, introduced by the Welfare Reform Act 2012, would have on Council tenants in Rotherham.

Consideration had been given to all possible opportunities to mitigate the effects on the 3,612 Council tenants including reviewing Council home sizes. Knowsley Housing Trust had taken the decision to reclassify some of their properties as having fewer bedrooms in order to deal with low demand of a specific property type and to avoid blight through empty homes.

Consideration had been given to this option but was not felt to be suitable as:-

- Rotherham did not have any pockets of low demand properties and no downstairs rooms were classed as bedrooms
- To only review the size of properties where the tenants were affected by bedroom tax would create an unfairness across the Borough where people would be paying different rent levels for the same type of accommodation
- The amount of rental income would reduce limiting opportunities for other investment options

Despite the results of a recent Inside Housing survey suggesting that some of the larger landlords were considering reviewing home sizes, only Knowsley had taken the decision to reclassify. This had been much discussed in the media and had prompted questions as to whether Rotherham would exercise its right to review some of its properties particularly in relation to bedroom dimensions. The advantages and disadvantages of reclassifying properties as having fewer bedrooms were:-

Advantages:-

- Possible reduction of Council rent arrears and the cost of collecting arrears
- Possible reduction of evictions and homelessness
- More people would be able to remain in their home, therefore, the costs associated with transferring to new properties reduced

- Some tenants would view it as a positive step to reduce the impact of Welfare Reform

Disadvantages:-

- Collect less rent
- Data currently not held on bedroom dimensions – significant time and cost implication associated with analysing property types
- Many who were not under occupying their homes were using smaller rooms as bedrooms and paying rent
- Major exercise to reclassify properties as having fewer bedrooms and may be difficult to reverse in the future should Policy change
- Review of bedroom sizes was 1 potential reactive measure that would not deal with all of the problems caused by bedroom tax
- Government had made a number of recent amendments to the social housing size criteria rules – not prudent to undertake stock classification exercise when the Policy environment was so fluid
- Non-affected tenants and those in small private accommodation may feel that the Council was operating double standards
- Concern that taking the reclassification approach may encourage DCLG to revisit the self-financing settlement

Resolved:- (1) That consideration be not given to the reclassification of properties.

(2) That the following actions be taken to support Council tenants in financial hardship as a result of the bedroom tax:-

- (a) Devise and implement a new Downsizing Policy
- (b) Review the Rent Arrears Policy to include specific provisions regarding people affected by the bedroom tax
- (c) Develop a clear procedure and guidance/advice on taking in lodgers as this would be 1 of the key ways of helping to reduce the financial impact on tenants
- (d) Continue to provide excellent money management and income maximisation advice
- (e) Ensure the Council new build programme reflected the need for more 1 and 2 bedroom properties.

(3) That information be made widely available regarding the exemptions to the bedroom tax.

### **J3. WELFARE REFORM**

The Director of Housing and Neighbourhoods submitted a report which summarised the key areas of work being undertaken by the Service on supporting tenants who were affected by the Welfare Reform Act 2012 particularly the Social Housing size criteria (“bedroom tax”) and Universal Credit.

The key areas that extensive work had taken place on were:-

#### Communication of Changes/Advice and Support

- Every opportunity had been taken to communicate the changes to Council tenants and build on the existing work via the Deprived Communities and Troubled Families agendas

#### Money Advice

- Reducing expenditure e.g. energy bills, loan consolidation
- Increasing income e.g. benefits maximisations, best interest rate for any savings
- Comprehensive support via the website, telephone and referrals to partner agencies

#### Rent Payments

- All new tenants would be required to set up a direct debit
- Existing tenants encouraged to set up direct debits or a rent direct account with the Credit Union

#### Supporting People into Employment

- Try to identify sustainable solutions to help people into training and employment
- Link with other services more effectively
- Wish to reinstate Employment Solutions Officers or similar

#### Money Advice Service (£70,000)

- It was hoped to provide a comprehensive service for 1 year for Council tenants
- Preferred option to fund 2 x Money Advice Officers who would be responsive and reactive to supporting Council tenants in financial difficulties
- Alternatively, outsource the Service to existing specialist debt advice provision
- If approved, a more detailed discussion required regarding which groups of tenants would be targeted and how they would be reached

#### Target Support to cover key ICT skills e.g. online transactions and claiming benefits (£35,000)

- Hoped to match fund by Adult Services Commissioning Team
- Potentially train 800 tenants in Year 1
- Anticipating initial pilot targeting deprived communities to be rolled out Borough-wide if clear outcomes were being achieved

#### Provide Employment/Training advice from the Property Shop and to undertake home visits for 1 Year (£28,000)

- Preferred option to employ an Employment Solutions Officer.
- Help to prevent homelessness and support tenants back into employment or training

- Alternatively arrange for Prospects (National Career Service) to provide a dedicated officer to be based at the Property Shop

Encourage and incentivise tenants to set up bank or Credit Union accounts (£17,000)

- The cost per tenant to set up a rent direct account was approximately £20
- The charge would be waived to encourage take up
- Encourage 850 Council tenants to set up accounts which would enhance rent collection rates

Draft Downsizing Policy – significant changes

- Budget of £50,000 to provide practical support to those who needed to move to a home with fewer bedrooms
- The Policy would be applied in all cases where the new home would have at least 1 less bedroom than their present home
- Council tenants who had rent arrears would not be prevented from moving – the arrears would be transferred to their new property
- Mandatory for Council tenants to sign a Direct Debit form to pay their rent (where applicable) before and after the move
- With regard to Council Tax support, the tenancy start date would be forward dated to the following Monday after the viewing or to the Monday when the next available gas uncap appointment was available

Furnished Homes

- Option of reducing the number of furniture items thereby reducing the charge to a lower band
- Leave the Scheme and tenancy status amended to “unfurnished”
- Ability to purchase items from the Council’s second hand furniture service

Joint work on early intervention with families

- Possible establishment of service to help families with multiple problems who could not pay their rent – work with Children and Young Peoples Services to jointly tackle the underlying causes

Advice on taking in lodgers

- Guidance notices to be produced for staff and tenants explaining the advantages and disadvantages

Discussion ensued with the following issues raised/clarified:-

- The incentivising of tenants to set up bank or Credit Union accounts had been perceived as those in receipt of benefits, however, if there was a genuine barrier preventing a tenant paying the £20, consideration could be given to the waiving of the fee
- The Post Office was to offer a basic account to those who had been declared bankrupt/those who had difficulty in opening an account

Resolved:- (1) That the actions being taken to tackle the effects of Welfare Reform be noted.

(2) That £150,000 Housing Revenue Account funding be allocated for additional advice and support.

(3) That the draft Downsizing Policy be noted

(4) That £50,000 Housing Revenue Account funding to help Council tenants downsize be approved.

(5) That Discretionary Housing Payments be monitored closely to identify whether further Housing Revenue Account support was necessary.

(6) That the intention to promote joint working with Children and Young Peoples Services to deliver early intervention to families affected by Welfare Reform be noted.

#### **J4. EXCLUSION OF THE PRESS AND PUBLIC**

Resolved: - That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in those paragraphs indicated below of Part I of Schedule 12A to the Local Government Act 1972 (as amended 2006 – information relates to finance and business affairs).

#### **J5. REQUEST FOR PROPERTY EXTENSION**

The Director of Housing and Neighbourhoods submitted a request for a property extension to accommodate a family that was supported by Children and Young People's Early Help Services.

There had been no issues with the tenancy and the rent account was clear. However, due to a change in the family circumstances, the property was now overcrowded. The tenant was keen to remain in the area due to the children being settled in school. There were no 4 bedroom properties in the area.

The financial implications and risks and uncertainties were set out in the report submitted.

Resolved:- (1) That the request for an extension to the said property to increase the number of bedrooms from 3 to 4 be approved.

(2) That the cost of the extension construction be met from the Housing Revenue Account 2013/14 Capital Investment Programme.

(3) That it be noted that, due to the circumstances of this case, the 4 Bedroom Fixed Tenancy Termination Policy cannot be applied.

(4) That clear processes and protocols be developed for any future requests for property extensions.

(Exempt under Paragraphs 2 and 3 of the Act – information likely to reveal the identity of an individual/information relation to the financial/business affairs of any person (including the Council))

#### **J6. PAYMENT OF COMPENSATION**

The Director of Housing and Neighbourhood Services reported receipt of a request for compensation following the incorrect piping of a central heating system and the impact it had had on the tenants.

Details of the complaint were set out in the report submitted.

Resolved:- (1) That £1,500 be awarded to the complainants in settlement of their claim.

(2) That the Council pursue reimbursement of the compensation claim from the original contractor due to defective workmanship.

(Exempt under Paragraphs 2 and 3 of the Act – information likely to reveal the identity of an individual/information relation to the financial/business affairs of any person (including the Council))