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|  <b>Overview and Scrutiny – 29<sup>th</sup> March 2011</b>                                                                                    |                                                                                                                        | <b>Agenda Item No.</b> |
| <b>Title</b>                                                                                                                                                                                                                   | Government Proposals for Social Housing Reform & The Welfare Reform Bill                                               |                        |
| <b>For further information about this report please contact</b>                                                                                                                                                                | Satnam Kaur, Interim Housing Strategy Manager – Ext: 6422<br><br>Andrea Wyatt – Benefits and Fraud Manager – Ext 6831  |                        |
| <b>Service Area</b>                                                                                                                                                                                                            | Housing and Property Services & Customer and Revenue Services                                                          |                        |
| <b>Wards of the District directly affected</b>                                                                                                                                                                                 | All                                                                                                                    |                        |
| <b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b> | N/A                                                                                                                    |                        |
| <b>Date and meeting when issue was last considered and relevant minute number</b>                                                                                                                                              | N/A                                                                                                                    |                        |
| <b>Background Papers</b>                                                                                                                                                                                                       | Local Decisions: A Fairer Future for Social Housing Consultation (CLG)<br><br>WDC Consultation Response – January 2011 |                        |

|                                                                            |    |
|----------------------------------------------------------------------------|----|
| <b>Contrary to the policy framework:</b>                                   | No |
| <b>Contrary to the budgetary framework:</b>                                | No |
| <b>Key Decision?</b>                                                       | No |
| <b>Included within the Forward Plan? (If yes include reference number)</b> | No |

|                                                                                                                                                                            |             |             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| <b>Officer/Councillor Approval</b>                                                                                                                                         |             |             |
| With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s). |             |             |
| <b>Officer Approval</b>                                                                                                                                                    | <b>Date</b> | <b>Name</b> |
| Relevant Director                                                                                                                                                          |             |             |
| Chief Executive                                                                                                                                                            |             |             |
| CMT                                                                                                                                                                        |             |             |
| Section 151 Officer                                                                                                                                                        |             |             |
| Legal                                                                                                                                                                      |             |             |
| Finance                                                                                                                                                                    |             |             |
| Portfolio Holder(s)                                                                                                                                                        |             |             |
| <b>Consultation Undertaken</b>                                                                                                                                             |             |             |

Please insert details of any consultation undertaken with regard to this report.

**Final Decision?**

Yes/No

**Suggested next steps (if not final decision please set out below)**

## 1. **SUMMARY**

- 1.1 This report sets out the proposed Welfare and Social Housing Reforms being proposed by the Government as set out in the Welfare Reform Bill and Localism Bill both of which are currently before parliament.

## 2. **RECOMMENDATION**

- 2.1 To note the contents of the report.

## 3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The report is for information only.

## 4. **ALTERNATIVE OPTION CONSIDERED**

- 4.1 None, this report is for information only.

## 5. **BUDGETARY FRAMEWORK**

- 5.1 No direct budgetary implications at this stage.

## 6. **POLICY FRAMEWORK**

- 6.1 The Sustainable Community Strategy 2009-2026

- Everyone's housing needs are met
- Reduce and prevent homelessness
- Make homes sustainable
- Support independent living
- Citizens are actively engaged in decision making and participate fully in community life

- 6.2 The Council's Corporate Business Improvement Plan – Fit For the Future

## 7. **Social Housing Reforms**

- 7.1 On 22nd November 2010 the Department for Communities and Local Government (DCLG) issued a consultation paper entitled "Local Decisions: A Fairer Future For Social Housing". The closing date for the consultation was 17th January 2011. The consultation paper and the Council's response have been circulated as part of the background papers to this report. The consultation paper sets out a wide range of proposals relating to the management, allocation and funding of social housing. It also covers issues relating to local authority homelessness duties and empty homes.

- 7.2 Appendix 1 summarises the reforms proposed by the paper and assesses the potential implications of each of these. Some of the key reforms are highlighted below.

### 7.3 **Social Housing Tenancies and Tenure Reform**

- 7.4 The paper proposes giving social landlords the ability to offer tenants time-limited, flexible tenancies. Currently, tenants of local authorities and housing associations are normally able to retain their tenancy indefinitely if they do not

breach their tenancy conditions. The proposals put forward will give social housing landlords the options to grant fixed term tenancies for a minimum two year period with no requirement to renew the tenancy at the end of the fixed term.

7.5 The power for social landlords to grant fixed term tenancies will be discretionary and the paper acknowledges that lifetime tenancies may still be appropriate in some cases. The proposals will only apply to new social housing tenancies, both new build and re-let properties that are granted once the changes are formally introduced. Existing social housing tenants will not be affected even if they transfer to another tenancy.

7.6 Locally there are concerns that Registered Providers (formerly known as Housing Associations) that wish to develop new build properties will face pressure to let all their properties – both new and re-lets-on flexible tenancies as a condition for accessing funding.

7.7 Consideration will also need to be given to how flexible tenancies will fit in with corporate objectives of creating balanced and sustainable communities.

7.8 The paper indicates that the policy of granting fixed term tenancies will need to take account of local housing needs and the expectation is that this policy will be set at a local level with:

(i) the Council publishing a Strategic Tenancy Policy in consultation with social landlords in the district and

(ii) each social landlord publishing a policy setting down the circumstances for when it will grant a lifetime or fixed term tenancy in its housing stock.

7.9 There is less guidance and certainty around what the position will be if a local authority and a social landlord operating in its area do not agree on the policy for granting (and ending) tenancies. Whilst the paper highlights the need for landlords to consider well in advance of a flexible tenancy ending whether the tenants still requires social housing and on what terms, there is nothing to indicate that a landlord cannot end a tenancy if the tenant has nowhere to go (although the landlord will be required to give advice and assistance on finding alternative accommodation).

#### 7.10 **Affordable Rents**

7.11 The paper proposes that social landlords will have the option to set new Affordable Rent levels on new build and re-let properties. These rents will be higher than traditional social housing rent levels and can be up to 80% of market rent levels.

7.12 There are risks that Registered Providers that wish to develop new build properties will face pressure to let all their properties – both new and re-lets-on flexible tenancies and affordable rents as a condition for accessing funding.

7.13 The Government is anticipating that charging higher rents will allow housing associations to increase their contribution towards the cost of new developments and help fill the gap left by the Government spending cuts.

- 7.14 The recently published Affordable Homes Framework 2011-2014 sets out how the development of new affordable housing will be funded over the next 4 years. It is clear that Affordable Rent will be the primary housing product supported by the Homes & Communities Agency (HCA) funding. Providers will be expected to supplement grant funding by converting vacant social homes into other tenures, generating cross subsidy, and using s106 and public sector land opportunities. It is intended that Affordable Rent properties will be offered to the same client groups as social housing, through the same allocations mechanisms.
- 7.15 Although the paper emphasises that Affordable Rents will be eligible for Housing Benefit, there are concerns locally around how this will affect the creation of mixed and sustainable communities. Furthermore there is potential for an increase in the overall level of housing benefit being paid to social housing tenants creating a tension between this and the Government's planned welfare reforms to reduce the national housing benefit bill.
- 7.16 **Allocation of Social Housing**
- 7.17 The paper proposes that local housing registers should continue to prioritise those households in reasonable preference categories (e.g. homeless, overcrowded, serious medical issues etc.). It also gives local authorities the flexibility to restrict who goes onto the Housing Register. Restricting access could lead to more realistic customer expectations and deliver a more accurate picture of need for housing at a local level.
- 7.17 **Homelessness**
- 7.18 The paper proposes that local authorities should be able to discharge their homelessness duty by offering a private rented tenancy to the household concerned.
- 7.19 Locally there are challenges around discharging the duty in this way. There are reservations about the availability, affordability and suitability of private sector housing to provide accommodation for people owed the main homelessness duty. Furthermore, access to private rented sector housing could be significantly limited by new restrictions on the level of local housing allowance payable, which could limit the workability of the proposed measure.
- 7.20 The Council currently has some links with local private landlords and local lettings agents via the Rent Deposit Guarantee Scheme. There has been some success in using the private rented sector to prevent homelessness. The Council will be looking to strengthen its links with the Private Sector Landlords and the first step towards achieving this will be through the a landlords forum event which will take place in April this year.
- 7.21 **Empty Properties**
- 7.22 The paper confirms the Government's increasing expectation that local authorities and housing associations will be pro-active in tackling empty homes and refers to the proposed New Home Bonus and the Comprehensive Spending Review decision to allocate £100 million to support housing associations in refurbishing up to 3,000 empty homes and then managing them at an affordable rent for up to 10 years.

7.23 The Council has recently appointed an Empty Homes Officer that is funded for 12 months and work around tackling long term empty homes has already commenced. The proposals present an opportunity to build on this work further.

#### 7.24 **Reform of Housing Finance**

7.25 Based on 5,621 properties the new provisional settlement figures will require the Council to take on debt of £133.4m compared to a borrowing limit of £147.3m (additional borrowing headroom of £13.8m). With this borrowing headroom WDC could decide to either draw down the full amount to deliver new affordable housing and/or other investment priorities. These options will need to be fully explored as part of the revised HRA Business Plan before any decisions are made.

7.26 In addition the Government's proposals regarding Right to Buy receipts have been changed and rather than allow 100% retention the provisions within the Localism Bill are that councils would have to return 75% of cash raised from the sale of council houses to the Treasury.

7.27 Locally there are concerns about how some of the proposed changes will interact with the changes to Housing Benefit and Local Housing Allowance as proposed in the Welfare Reform Bill.

### **8.0 Welfare Reform Bill 2011**

8.1 On 16 February 2011 the Welfare Reform Bill was introduced to Parliament. Included within the Bill's provisions are measures which will have direct and substantial impacts on both social landlords and tenants and private sector landlords and tenants.

8.2 Appendix 2 summarises the reforms proposed by the paper and assesses the potential implications of each of these. Some of the key reforms affecting housing are highlighted below.

#### 8.3 **Local Housing Allowance (LHA) – Change from 50<sup>th</sup> percentile to 30<sup>th</sup> percentile**

8.4 At present LHA rates are calculated on 50<sup>th</sup> percentile of the total of local market rents. Under the proposals LHA rates will be calculated on the 30<sup>th</sup> percentile of market rents rather than the midpoint. Consequently in each market area if there were 100 properties available for letting of the appropriate size, the LHA will be based on the 30<sup>th</sup> lowest rent of those 100 properties instead of 50 per cent at present.

8.5 The 30<sup>th</sup> percentile would mean that approximately 3 in 10 properties for rent in the area should be affordable to people on Housing Benefit rather than every 5 in 10 properties as now.

8.6 What this effectively means is that tenants in private rented housing (not in social housing) who are entitled to LHA will have access to fewer properties in their area where their full rent could be covered by their benefit. Tenants who cannot find a property priced in the first 30<sup>th</sup> percentile will have to make up the difference in rent.

8.7 The table below shows the impact that this will have on those tenants currently renting in the private sector based on the LHA rates for March.

### 30<sup>th</sup> percentile impact table

Warwickshire South BRMA – amounts shown are weekly (£)

|                                  | Shared room rate | 1 bed self contained | 2 bed  | 3 bed  | 4 bed  | 5 bed  |
|----------------------------------|------------------|----------------------|--------|--------|--------|--------|
| Current LHA rate                 | 63.46            | 121.15               | 150.00 | 173.08 | 229.62 | 300.00 |
| 30 <sup>th</sup> Percentile rate | 57.69            | 111.92               | 137.31 | 155.77 | 213.46 | 213.46 |
| Difference                       | 5.77             | 9.23                 | 12.69  | 17.31  | 16.16  | 86.54  |

#### 8.8 **Change to using the Consumer Price Index to up-rate LHA rates rather than the Retail Price Index**

8.9 From April 2013 onwards the 30<sup>th</sup> percentile LHA rate will be based on using the Consumer Price Index rather than the Retail Price Index. These indexes are the way the government decide by how much benefits will go up to keep in line with price increases. This takes place every April.

8.10 Over the period 1991-2009 rents have risen at an average of 2.57% points per year above CPI. The change will mean that the LHA will not keep pace with rental inflation. The effect will be to shrink the 30 per cent of the market that in theory will be available to tenant. In the long term there will come a point at which the cheapest property which is available in a given market area is more expensive than the full LHA rate.

#### 8.11 **Increasing non-dependant deductions**

8.12 Deductions from the claimants eligible rent where other adults live with the claimant who are not part of their family for benefit purposes (typically the claimants own adult children who are either working or claiming in their own right) are set to increase dramatically.

8.13 Tenants sharing their home with other adults (18+ years) will need to collect more money from the other adults to contribute towards the rent, or make up the difference from their own money.

8.14 The table below shows the effect these changes will have based on income levels. The amounts are weekly.

Change in Non-dependant deductions as from April 2011

| <b>Non-Dependant Category</b>                  | 2010 (£) | 2011 (£) | Change (£) |
|------------------------------------------------|----------|----------|------------|
| Non-dependant aged 18 or over not in work      | 7.40     | 9.40     | -2.00      |
| Non-dependant aged 18 or over and in paid work |          |          |            |
| Gross Income: less than £122.00                | 7.40     | 9.40     | -2.00      |
| Gross Income: £122 to £179.99                  | 17.00    | 21.25    | -4.25      |
| Gross Income: £180 to £233.99                  | 23.35    | 29.60    | -6.25      |
| Gross Income: £234 to £309.99                  | 38.20    | 48.45    | -10.25     |
| Gross Income: £130 to £386.99                  | 43.50    | 55.20    | -11.70     |
| Gross Income: £387 and above                   | 47.75    | 60.60    | -12.85     |

- 8.15 There is a risk that these changes will be an incentive for tenants to encourage their children to leave home and a disincentive to voluntary sharing. They may hinder the tenants' own ability to deal with under-occupation and will result in a dilemma: if the tenant allows the occupier to stay they could lose all of their housing benefit, but if they ask them to leave they could then be hit with a reduction because they are under occupying.
- 8.16 **Cuts in Housing Benefit entitlement for tenants under occupying social housing.**
- 8.17 This change, scheduled to come into effect in April 2013, will restrict housing benefit for working age tenants who are occupying a larger social rented property than required for their household size. Size restrictions already apply to private sector tenants claiming housing benefit.
- 8.18 Work is currently being undertaken locally to establish how many households in the District this will affect. Based on The English Housing Survey 2008-09 the Department of Works and Pensions (DWP) estimates that around 430,000 social rented tenants currently under occupy their accommodation as defined by the bedroom standard.
- 8.19 Whilst this has the potential to increase the number of larger homes available to let to applicants on housing registers, tenants may be unable to move to smaller social rented properties if the stock is not available, even if they are willing to, and will be penalised for it.
- 8.20 **Rent Restrictions Extended**
- 8.21 The LHA shared room rate (single room rent), which apply to most single people aged under 25, will be extended to people aged under 35. Current exemptions, for example for those in receipt of severe disability premium and living in certain types of supported accommodation, will continue to apply.



8.22 This could have far reaching effects for single person households in securing suitable and affordable self contained accommodation.

### 8.23 **Universal Credit**

8.24 Beyond the immediate and short-term challenges of the HB reforms lie the government's wider Universal Credit proposals. In the medium-term future these will radically reshape the entire welfare benefits structure, including those aspects of the existing regime which support low income households with their housing costs. The new framework will replace:

- Working tax credits
- Child tax credit
- Housing Benefit
- Income Support
- Jobseeker's Allowance
- Employment and support allowance
- Council Tax benefit.

8.25 The Government's main aims of the Universal Credit reform are to simplify the benefits system from the claimant's perspective, but more importantly to sharpen work incentives making it easier for households entering work to recognise the net gains resulting. Thus, the regime is intended to ensure that 'work always pays and is seen to pay'.

8.26 Housing benefit is currently a separate payment made to the claimant from the council and thus it is clear to the recipient that this is intended to be used to cover some or all of their rent. The universal credit will combine all payments and the recipient will receive one payment, there is a risk that this is more likely to be used for day to day expenditure rather than payment of rent.

## 9.0 **Next Steps**

9.1 Given both the housing welfare proposals outlined above it is projected that significant numbers of households will find themselves needing to move homes, with some households facing eviction and homelessness. Not only will this have a real impact on our customers but it will also increase the demand on Housing Advice Services.

9.2 As well as the cuts being likely to lead to an increase in homelessness, they also have the potential to reduce the ability of local authorities and other agencies to prevent and resolve homelessness. As the cuts bite and the PRS becomes less and less affordable to those on Housing Benefit and landlords choose to switch to a more stable and lucrative section of the housing market.

9.3 Officers have already started work on quantifying the impact of the changes. Meetings have been taking place with our RPs, DWP and dialogue will commence with Private Landlords in the District through a Landlords Forum event being held on 6<sup>th</sup> April. When further information is available a more detailed analysis will be undertaken.

## Appendix 1 – Proposed Social Housing Reforms

| Proposal                                                                             | Overview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Potential Implications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Social Housing Allocations Reform / Reform of Homelessness legislation</b></p> | <ul style="list-style-type: none"> <li>• Powers for Local Authorities to handle existing tenants' requests for transfer through separate rules and criteria from those applying to people who are not tenants;</li> <li>• Greater flexibility for councils to develop their own allocations policies subject to regulations;</li> <li>• Councils permitted to discharge their homelessness obligation via a private sector tenancy; this no longer requires express permission of the tenant;</li> </ul> | <ul style="list-style-type: none"> <li>• This could facilitate faster moves for existing tenants but could cause longer waiting times for others who remain on or join the Waiting List.</li> <li>• Will allow the council to adopt restrictions for people eligible to join the waiting list focusing on those in housing need.</li> <li>• This will allow the council to discharge homeless duty into the private sector. However in the longer term may cause a "revolving door" of homelessness.</li> </ul> | <ul style="list-style-type: none"> <li>• As part of the HomeChoice Review, consider the merits of taking transfers out of the allocations framework and how allocations would remain open and transparent.</li> <li>• Consider restricting those who can join the register, for example those with no housing need. This would reduce administration of the housing register, we could better manage housing expectations and how waiting list data would be more useful for assessing need. There may be increased cost though, from those appealing against decisions to exclude from the register.</li> <li>• Need to build capacity within the private rented sector, as part of this there is a landlord forum event to be held on 13<sup>th</sup> April 2011. Also need to be mindful of the welfare reforms in order</li> </ul> |

| Proposal | Overview                                                                                                                                                                                                                                                                                                                                                                                                                          | Potential Implications                                                                                                                                                                                                                                                                                                                                         | Action                                                                                                                                                                                                                                                                                                                                                                                                |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|          | <ul style="list-style-type: none"> <li>Councils will be required to produce a tenancy strategy within 12 months of enactment. Social landlords must be consulted on the strategy and will have to set tenancies in line with strategy.</li> </ul>                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>This gives the Council and Registered Providers an option to give shorter term tenancies which may suit certain circumstances but could lead to the loss of homes for life for new council tenants.</li> </ul>                                                                                                          | <p>appropriate and affordable accommodation is available.</p> <ul style="list-style-type: none"> <li>Discussions with registered providers are taking place. In addition, first meeting has been held by Heads of Housing across the County to work on a Countywide Tenancy Strategy</li> </ul>                                                                                                       |
|          | <ul style="list-style-type: none"> <li>Councils required to produce and maintain Tenancy Strategies. Before adoption, the strategy will need to be consulted on by registered providers of social housing in the District</li> <li>Flexibility for social landlords to introduce fixed tenancies of two or more years in place of the current lifetime tenancy, and to limit succession rights to a spouse or partner.</li> </ul> | <ul style="list-style-type: none"> <li>The Tenancy strategy will need draw on details from within the allocation policy, and other associated council strategies. It could be possible to work on a county wide level to develop a common format to the strategy.</li> <li>May have adverse affect on creating and sustaining balanced communities.</li> </ul> | <ul style="list-style-type: none"> <li>Need to agree common aims and criteria of the strategy with key stakeholders and partners and elected members. Initials discussions with registered providers have taken place, the first meeting has also been held by Heads of Housing across the County to work on a Countywide Tenancy Strategy. Dialogue will continue throughout this process</li> </ul> |

| <b>Proposal</b>                            | <b>Overview</b>                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Potential Implications</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Action</b>                                                                                                                                                                  |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reform of Council Housing Finance</b>   | <ul style="list-style-type: none"> <li>• Powers for the Secretary of State to set buy-out to enable self financing, and to re-open the buy-out figure at a later date;</li> <li>• Secretary of State will also have new powers to set the borrowing limit.</li> </ul>                                                                                                                                                              | <ul style="list-style-type: none"> <li>• This gives an opportunity for the Council to develop a 30 year business plan for the Housing Revenue Account (HRA) rather than a year to year plan.</li> <li>• The Government is retaining the power to alter debt at a later stage.</li> </ul>                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• Working Group to be established.</li> </ul>                                                                                           |
| <b>National Homeswap Scheme</b>            | <ul style="list-style-type: none"> <li>• Social housing regulator will set a standard on mutual exchange - a swap of accommodation between two or more tenants where each party moves permanently into their exchange partner's property;</li> <li>• Landlords will be required to participate in web-based mutual exchange services that enable tenants to see a wide range of properties across providers in England.</li> </ul> | <ul style="list-style-type: none"> <li>• A new national home swapper's scheme that is better regulated with an increased participation by social housing providers could be of benefit to social housing tenants giving them an increased opportunity for mobility. This would of course come at a cost to the local authority in system administration and verification of suitable exchanges. Without stringent controls there could be problems with control and use of stock and tenancy issues.</li> </ul> | <ul style="list-style-type: none"> <li>• Need to ensure we participate directly or via Local Government Association in the development of the new web based service</li> </ul> |
| <b>Reform of Social Housing Regulation</b> | <ul style="list-style-type: none"> <li>• Tenant Services Authority (TSA) abolished and remaining functions transferred to the Homes</li> </ul>                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• This is primarily a transfer of function from one body to another.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• No specific actions at this stage</li> </ul>                                                                                          |

| Proposal | Overview                                                                                                                                                                                                                                                                                                                                                                                                              | Potential Implications                                                                                                                                                                                                                                        | Action |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
|          | <p>and Communities Agency;</p> <ul style="list-style-type: none"> <li>• HCA Committee as new regulator will set a tenancy standard for all local landlords;</li> <li>• The system of two separate ombudsmen handling social tenants' complaints will be replaced by a single Ombudsman specialising in complaints about social housing providing a common route of redress for all social housing tenants.</li> </ul> | <ul style="list-style-type: none"> <li>• Regulation policies unlikely to change. Significant focus on tenant scrutiny of Landlords to remain.</li> <li>• This should have no real impact on internal processes in dealing with housing complaints.</li> </ul> |        |

## Appendix 2 – Proposed Welfare Reforms

| Date                                                           | Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Potential Impact                                                                                                                                                                                                                                                                                                                                                                 | Action                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>April 2011 (amendments to secondary legislation)</b></p> | <ul style="list-style-type: none"> <li>• LHA rates subject to caps from £250 a week for a 1 bed to £400 for a 4 bed</li> <li>• Removing the excess £15 payment of LHA</li> <li>• Size criteria adjusted to provide for an additional bedroom for a non-resident carer where a customer and /or partner has an established need for overnight care and has an additional bedroom for that a carer to use.</li> <li>• All housing benefit claimants with a non-dependant in the property will be hit by increases in non-dependant deductions from April, with the exception of those claiming disability living allowance.</li> </ul> | <ul style="list-style-type: none"> <li>• Does not apply in this area as LHA rates are below this.</li> <li>• Affordability issues</li> <li>• Affordability/Hardship issues</li> <li>• Higher demand for debt counselling services</li> <li>• Possible increases in homelessness/family exclusions</li> <li>• Increased levels of homelessness for individuals who the</li> </ul> | <ul style="list-style-type: none"> <li>• Identify which claimants this affects and inform them in writing of the change and how it will affect them. Letters being sent out by H/B.</li> <li>• Early Communication to households who will be effected</li> </ul> |

| Date | Change | Potential Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Action |
|------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
|      |        | <p>Council has no statutory duty to accommodate which may lead to rough sleeping</p> <ul style="list-style-type: none"> <li>• Likelihood of increased demand for the provision of temporary accommodation/bed and breakfast. This accommodation could become increasingly 'silted up' if tenants evicted are considered intentionally homeless.</li> <li>• Rise in claims for H/B as the excluded will need to be rehoused</li> <li>• Increased demand on housing options services, along with a greater number of applications to register on Homechoice</li> <li>• Increased applications and demand from young people</li> <li>• Increased transfer applications on Homechoice</li> </ul> |        |

| Date              | Change                                                                                                                                                                                                                                                  | Potential Impact                                                                                                                                                                                                                                                                                                                                                                                                                            | Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>• Private landlords becoming more reluctant to let to families with older children who are approaching age 18.</li> <li>• Increased applications for discretionary housing benefit payments</li> </ul>                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>April 2011</b> | <ul style="list-style-type: none"> <li>• LHA rates will be set at 30<sup>th</sup> percentile of local rents rather than the median (50<sup>th</sup> percentile) (current tenants will be affected 9 months after their LHA anniversary date)</li> </ul> | <ul style="list-style-type: none"> <li>• Tenants evicted</li> <li>• Tenancy not being renewed</li> <li>• Difficulties in trying to prevent homelessness</li> <li>• Movement of low income tenants from more expensive rental market areas to cheaper ones</li> <li>• Households struggling to access private rented accommodation</li> <li>• Increased hardship, shown by greater demands for debt and counselling services, and</li> </ul> | <ul style="list-style-type: none"> <li>• Identify numbers and household types of claimants in receipt of Housing Benefit in the private rented sector.</li> <li>• Communicate directly with the landlords through landlords forum on how the changes will affect them</li> <li>• Mail shot to landlords and claimants to advise them of these changes.</li> <li>• Promotion of the Rent Bond Scheme which actively sells the service – rent bond pack, direct</li> </ul> |



| Date | Change | Potential Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Action                                                                                                                           |
|------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
|      |        | <p>rising arrears</p> <ul style="list-style-type: none"> <li>• Concentration of tenants in receipt of LHS in cheaper, poorer quality private rented housing</li> <li>• Greater demand on homelessness service due to homeless households being unable to solve their own housing problems by accessing privately rented properties.</li> <li>• Likelihood of an increased demand for the provision of temporary accommodation/bed and breakfast. This accommodation could become increasingly 'silted up' if tenants evicted are considered intentionally homeless</li> <li>• Greater demand on housing options service with increasing numbers applying to join Homechoice (housing register)</li> </ul> | <p>payments (for now) access to our extensive waiting list – no agent finder fees, credit checks available, support provided</p> |

| Date        | Change                                                                                                     | Potential Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Action                                                                                                                                                                                                 |
|-------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                                                                                                            | <ul style="list-style-type: none"> <li>• Greater levels of overcrowding and associated social impacts (insanitary conditions, poor health, lower educational attainment of children)</li> <li>• Landlords becoming less prepared to let to known benefit claimants</li> <li>• Landlords making more stringent income checks on potential claimants</li> <li>• Landlords becoming less prepared to accept the Council's Rent Bond Scheme.</li> <li>• Increased applications for discretionary housing benefit payments</li> </ul> |                                                                                                                                                                                                        |
| <b>2012</b> | <ul style="list-style-type: none"> <li>• Rise in Discretionary Housing Payments to £140 million</li> </ul> | <ul style="list-style-type: none"> <li>• Increase in DHP applications. However allocation for 2011/12 has only increased by £2,000 for this District</li> <li>• Increase in homelessness acceptances</li> </ul>                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• Discussions ongoing between Housing Strategy and Housing Benefit regarding administration of DHP</li> <li>• Collate information on how many single</li> </ul> |

| Date              | Change                                                                                                               | Potential Impact                                                                                                                                                                                                                                                                                                                                                                                        | Action                                                                                                                                                                                                                                                                                    |
|-------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                                                                                                      | <ul style="list-style-type: none"> <li>• More demand on the funding pot than is available</li> <li>• Increased levels of disputes around the use of discretion with pressure to make awards for 'deserving' cases</li> <li>• Increased numbers with time limited awards to help make the budget spread further</li> <li>• Increased demand on advice services to help with such applications</li> </ul> | <p>applicants in p/r between 25-35 currently on single room rate</p>                                                                                                                                                                                                                      |
| <b>April 2012</b> | <ul style="list-style-type: none"> <li>• Shared room rate increases to over 35 applies to all new claims.</li> </ul> | <ul style="list-style-type: none"> <li>• Affordability/hardship issues</li> <li>• More demands on affordable housing</li> <li>• Likely rise in demand for temporary accommodation</li> <li>• More demands on cheaper p/r accommodation.</li> </ul>                                                                                                                                                      | <ul style="list-style-type: none"> <li>• Figures from Housing Benefit department required on single applicants in p/r between 25-35 currently on single room rate</li> <li>• Consideration should be given as part of the Allocations Review</li> <li>• Promotion of Rent Bond</li> </ul> |

| Date             | Change                                                                                                                                      | Potential Impact                                                                                                                                                                                                                                                                                                                                                | Action                                                                                                                                                    |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  |                                                                                                                                             | <p>Unable to resolve homelessness as less availability</p> <ul style="list-style-type: none"> <li>• For existing customers on renewal of claim or if circs change before this.</li> <li>• Unaffordability of existing tenancies</li> <li>• Demands for more shared accommodation</li> <li>• Increase in HMOs</li> </ul>                                         | <p>Scheme</p> <ul style="list-style-type: none"> <li>• Is there an opportunity to access accommodation which was historically let to students?</li> </ul> |
| <b>2013/2014</b> | <ul style="list-style-type: none"> <li>• Index linking of LHA LHA to be based on Consumer Price Index not the Retail Price Index</li> </ul> | <ul style="list-style-type: none"> <li>• Benefit levels will cease to reflect local rent levels</li> <li>• Movement of low income tenants from more expensive rental market areas to cheaper ones</li> <li>• Households struggling to access private rented accommodation</li> <li>• Landlords less willing to accept the Council's Rent Bond Scheme</li> </ul> | <ul style="list-style-type: none"> <li>• More use of DHP</li> </ul>                                                                                       |

| Date | Change | Potential Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Action |
|------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
|      |        | <ul style="list-style-type: none"> <li>• Increased hardship, shown by greater demand for debt and counselling services, and rising arrears</li> <li>• Concentration of tenants in receipt of LHA in cheaper, poorer quality private rented housing</li> <li>• Greater demand on homelessness and housing options services</li> <li>• Likelihood of increased demand for the provision of temporary accommodation/bed and breakfast. This accommodation could become increasingly 'silted up' if tenants evicted are considered intentionally homeless.</li> <li>• Greater levels of overcrowding and associated social impacts (insanitary conditions, poor health, lower educational attainment of children)</li> </ul> |        |

| Date             | Change                                                                                                                                                                                                                                                                                 | Potential Impact                                                                                                                                                                                                                                                                                                                                                                        | Action                                                                                                                                                                                                  |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  |                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• Increased number of Homechoice applications</li> <li>• Landlords becoming less prepared to let to known benefit claimants</li> <li>• Landlords making more stringent income checks o potential tenants</li> <li>• Increased applications for discretionary housing benefit</li> </ul>                                                          |                                                                                                                                                                                                         |
| <b>2013/2014</b> | <ul style="list-style-type: none"> <li>• Limiting HB entitlement of working age families to reflect household size in the social rented sector, i.e. working-age families deemed to be living in “under occupied” social rented housing will have their housing benefit cut</li> </ul> | <ul style="list-style-type: none"> <li>• People being forced out of their accommodation without suitable accommodation being made available.</li> <li>• Rather than this being a tenant’s incentive scheme it will be a necessity for people to move and this will place further demands on Homechoice. On a positive could lead to freeing up of much needed family housing</li> </ul> | <ul style="list-style-type: none"> <li>• Research into under occupation levels for WDC properties and those of RSL partners</li> <li>• Should be considered as part of the HomeChoice Review</li> </ul> |

| Date | Change | Potential Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Action |
|------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
|      |        | <ul style="list-style-type: none"> <li>• End of security of Tenure.</li> <li>• Rise in levels of rent arrears.</li> <li>• Higher demand for debt counselling services</li> <li>• Higher demand on homelessness services</li> <li>• Likelihood of an increased demand for the provision of temporary accommodation/bed and breakfast. This accommodation could become increasingly 'silted up' if tenants evicted are considered intentionally homeless</li> <li>• Increased transfer applications on Homechoice</li> <li>• Increased applications for discretionary housing benefit</li> <li>• Implications for the type</li> </ul> |        |

| Date           | Change                                                                                                                                                                  | Potential Impact                                                                                                                                      | Action |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
|                |                                                                                                                                                                         | and size of new homes we seek to develop in the district.                                                                                             |        |
| <b>2013/14</b> | <ul style="list-style-type: none"> <li>• Overall cap on the benefits that may be claimed by an individual household</li> <li>•</li> </ul>                               | <ul style="list-style-type: none"> <li>• Affordability/hardship</li> </ul>                                                                            |        |
| <b>2013/14</b> | <ul style="list-style-type: none"> <li>• Introduction of Universal Credit (UC). UC replaces income related benefits (inc H/B) for new working age claimants.</li> </ul> | <ul style="list-style-type: none"> <li>• No direct payments for h/ben. Impact of this on Rent Bond scheme as this is one of the incentives</li> </ul> |        |
| <b>2014/17</b> | <ul style="list-style-type: none"> <li>• Existing claimants moved to UC in place of other benefits</li> </ul>                                                           | <ul style="list-style-type: none"> <li>• Affordability/hardship</li> </ul>                                                                            |        |