

**REPORT TO: HOUSING COMMITTEE 11 FEBRUARY 2013**

**REPORT ON: HOUSING ALLOCATION POLICY: AMENDMENTS TO UNDER-OCCUPATION PRIORITY**

**REPORT BY: DIRECTOR OF HOUSING**

**REPORT NO.: 55-2013**

**1. PURPOSE OF REPORT**

- 1.1 This report recommends Committee agree to amend the Council Allocation Policy to give a greater priority to households who are under-occupying. This measure will assist households who are affected by Welfare Reform and changes to Housing Benefit which will reduce entitlement to benefits for social rented tenants who have more bedrooms than they need.

**2. RECOMMENDATIONS**

- 2.1 It is recommended Committee approve the changes to the Allocation Policy, i.e. awarding of points to households under-occupying social rented housing, and increasing the qualifying age for sex separation from eight to ten years.

**3. FINANCIAL IMPLICATIONS**

None.

**4. MAIN TEXT**

- 4.1 From 1st April 2013, Housing Benefit entitlement for social housing tenants will be based on the number of bedrooms a working aged household needs. Applying this ruling, households are allowed the following:
- One bedroom for each adult or couple.
  - One bedroom for any 2 children under 16 who are the same gender.
  - One bedroom for any 2 children under 10 regardless of gender.
  - One bedroom for any other child.
  - One bedroom for any other person over the age of 16, for example older children.
  - One bedroom for a non-resident carer where they provide overnight care to a person with a disability.
  - The maximum number of bedrooms allowed is 4.
- 4.2 Depending on the number of extra bedrooms a household has, the eligible rent used to calculate Housing Benefit will reduce by a set percentage. For households who have one extra bedroom the eligible rent will reduce by 14%, for households with more than one extra bedroom the eligible rent will reduce by 25%.

- 4.3 At the moment the Council has approximately 320 working age tenants who claim housing benefit who are under-occupying by 2 bedrooms and 1,900 who are under-occupying by one bedroom. These tenants have been contacted and are being targeted for advice on income maximisation and their housing options to prevent them falling into financial hardship and to prevent rent arrears.
- 4.4 The Allocation Policy gives priority points to households who under-occupy their house. This gives 40 points to households who have two more bedrooms than needed and 70 points to households who have three or more bedrooms surplus. It is recommended that households who under occupy (using the Housing Benefit criteria) are given 40 points if they under-occupy by one bedroom and 70 points if they under-occupy by two or more bedrooms.
- 4.5 It should be noted that this policy change will to some degree mitigate the impact of Welfare Reform, however its impact may be constrained by the availability of suitable accommodation . It is not considered expedient to give a higher level of priority to people who under-occupy because we must still tackle competing demands from people who are homeless and people with other housing needs (e.g. medical conditions, overcrowding etc).
- 4.6 We do not consider that it is appropriate to restrict the number of bedrooms a household can apply for to come in line with the revised benefit rules. This is because there are applicants who are not on benefit and who can afford to under-occupy. It would also run the risk of restricting the options of households and exerting an upward pressure on the waiting list. It should be borne in mind that when a property becomes available, it is prioritised to applicants in housing need i.e. whose household size matches the size of the property. Applicants who have expressed a preference for housing larger than their needs will be considered where there are no qualifying applicants who match the house size or where those on the list have refused the property.
- 4.7 Our strategy to discourage under-occupation will be to advise applicants of the implications of their housing choices and if they are in danger of falling foul of the new housing benefit rules, strongly advising them of more affordable housing options.
- 4.8 When considering qualifying ages for children to have separate bedrooms and for sex separation, the existing letting policy criteria is age 8. This differs from the new Housing Benefit Rules of age 10, hence it is recommended that our policy falls in line with Housing Benefit Rules.

## 5. **POLICY IMPLICATIONS**

- 5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. An Equality Impact Assessment has been carried out and is available on the Council website <http://www.dundee.gov.uk/equanddiv/equimpact/>. The major issues identified are: assisting with delivering the fairness strategy to address poverty.

## 6. **CONSULTATIONS**

- 6.1 The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services and all other Chief Officers have been consulted on this report. No concerns were expressed.

7. **BACKGROUND PAPERS**

Equality Impact Assessment.

**ELAINE ZWIRLEIN**  
**DIRECTOR OF HOUSING**

**JANUARY 2013**