

ABERDEEN CITY COUNCIL

COMMITTEE	Communities, Housing and Infrastructure
DATE	01 November 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Allocation of 2 bedroom properties
REPORT NUMBER	CHI/16/250
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

This report highlights mismatches in supply and demand for Council housing, particularly a reduction in waiting lists for two bedroom properties and an increase in waiting times for statutory homeless applicants requiring a bedsit or one bedroom property, and seeks to amend the allocations policy to strike a proportionate balance between severity of housing need and making best use of stock.

2. RECOMMENDATION(S)

That the committee:-

- i. Note the current position of reducing waiting lists for two bedroom properties and an increase in waiting times for statutory homeless applicants requiring a bedsit or one bedroom property;
- ii. Amend the 'exceptions to the bedroom requirement rules' within the scheme of allocations per Appendix 1 to strike a proportionate balance between severity of housing need and making best use of stock;
- iii. Amend the offers in fulfilment of statutory homeless duty policy per Appendix 1 to offer families requiring a two bedroom property greater choice of area and single applicants/couples preference over whether they will be considered for a smaller or larger property.
- iv. Instruct officers to report back on the operation of the revised policy after 12 months.
- v. approve an amendment to the current downsizing scheme to exclude tenants who accept a property larger than their requirements through this scheme, special lettings initiative, reduced criteria or any other initiative where there has been no change in their circumstances or other special circumstances do not apply.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications, however this initiative will contribute to a reduction in the duration of homeless cases and associated temporary accommodation expenditure.

4. OTHER IMPLICATIONS

Single tenants or couples occupying a two bedroom property who are reliant on housing benefit are likely to be deemed to have an additional bedroom and would therefore be subject to 'removal of the spare room subsidy' deductions of 14% of the rent, however this is presently being fully mitigated by the Scottish Government and there has been no notable impact arising from similar cases already permitted within the scheme of allocations e.g. fathers with weekend access to children.

There are also plans to restrict housing benefit entitlement to Local Housing Allowance (LHA) level for social housing tenants from 2018 and though this would not have any financial impact based on current rents and LHA rates, it may have a slight impact on single applicants under the age of 35 occupying a 2 bedroom property if rents increase above the LHA rate by 2018 or thereafter. As such we would ensure applicants were aware of the potential for this when determining which size of property would be appropriate.

5. BACKGROUND/MAIN ISSUES

Since the Scheme of Allocations was revised in October 2012 waiting times for statutory homeless applicants have been limited and typically an offer had been forthcoming within 2 weeks of an application being made live on the Urgent rehousing list. Exceptions to this would be for some households with specific medical needs or families requiring larger properties.

Increasing Proportion of Single Homeless Households

With the abolition of the priority need test at the end of 2012, all unintentionally homeless households have been entitled to an offer of permanent accommodation. By definition the newly entitled applicants are single people or childless couples, requiring a greater number of smaller social rented properties to be offered in fulfilment of statutory homeless duty.

Homeless prevention efforts have been increasingly successful since full rollout in 2011, reducing overall homeless presentations by 63% and in recent years a change in approach has significantly reduced the number of private tenants becoming homeless. Furthermore, our efforts to prevent homelessness have rightly prioritised households which include children. The effect of these factors, in addition to other social and lifestyle predilections in the single populace have meant the

residual profile of homeless households are comprised of proportionately more single applicants, now accounting for 80% of homeless applications.

The cumulative impact has been an increase in duration of homelessness, temporary accommodation placements and delays in making permanent offers to resolve homelessness. There are now over 80 homeless applicants listed for bedsit or one bedroom properties, with waiting times exceeding three months. Both the number of applicants and waiting time have increased month on month for each of the past six months.

A further principal factor contributing to this blockage is the composition of the Council's general needs housing stock, which is close to being inversely proportionate to the demand profile of statutory homeless households. There are 5,070 bedsit and 1 bedroom general need properties, equivalent to 28% of the total general need stock (18,208), whereas 80% of homeless households require this size of property.

Reducing Demand for Two Bedroom Properties

Waiting lists for Council housing had been increasing for many years, reflecting the heated property market in Aberdeen. In 2014 the Council adopted a housing options approach, whereby those seeking assistance with housing are given cross-tenure advice in addition to information about social housing allocations. This has led to a steady reduction in applications for housing, further impacted by the contraction of the local economy. From around 600 new applications per month in 2014 and total lists of 7,925 last year, current receipts are under 300 per month and combined lists stand at 6,327.

The impact of this has been most acute in terms of the lists for two bedroom properties. There are currently 1,109 applicants on the waiting list, 500 on the transfer list and 146 on other lists. The waiting list is down from 1,606 a year earlier, with the needs of the residual applicants much reduced: between 2015 and 2016 there was a 48% reduction in the number of applicants on the two bedroom waiting list with 20 or more points and currently 82% have fewer than 20 points. This contrast with a majority of allocations requiring 30-38 points a year earlier and a number of recent allocations have been made to applicants with only 14 points.

Recourse to Housing Associations & Private Landlords

Protocols with local housing associations have been revised within the past year and afford absolute priority to homeless applicants for vacancies, not limited by quota. Case Officers invite all homeless applicants to apply directly to RSLs at initial presentation and are proactive in revising progress periodically until a permanent offer has been made. Whilst this provides a proportion of outcomes, it is insufficient to meet the level of demand.

Having historically struggled to gain a foothold in the private rented market, falling rents and demand over the past 15 months have presented new opportunities to assist homeless applicants to move into private tenancies. This has been done via the homeless prevention fund until now and is currently progressing to establishment of a rent deposit guarantee scheme as the uptake increases. Whilst this ought to increase outcomes, there are legislative restrictions in terms of tenancy type and duration, limiting the extent to which this will reduce reliance on the social sector in the short – medium term.

Proposed Changes

Given the financial and social impact of prolonged homelessness it is imperative that the Council is in a position to expedite offers of permanent accommodation for homeless households. In the absence of sufficient bedsit and one bedroom vacancies to achieve this under current policy, the significant reduction in demand for two bedroom properties presents an opportunity to offset a proportion of unmet need without disadvantaging applicants with a reasonable level of priority. In order to achieve this the current 'bedroom requirement rules' require to be amended per Appendix 1, thus prioritising the need to resolve homelessness for smaller households over matching size more exactly.

A further proposed change is to provide for couples intending to start a family to be considered for two bedroom vacancies if they prefer, rather than be allocated a smaller property in the first instance and be offered a move only once a pregnancy has been confirmed. Although this would not affect a large number of applicants, it mirrors what couples would typically do in purchasing or privately renting properties and reduces unnecessary upheaval and cost after a short period.

Another change sought is to reflect the reasonable availability of two bedroom properties by affording more choice in terms of location when rehousing under homeless legislation. At present the presumption of considering any area citywide can lead to difficulties with continuity of education and familial/social contact, which we believe can be comfortably provided for by restoring a choice of broad letting areas which have sufficiency of turnover.

The final change sought is with regard to the downsizing scheme. The council currently offers tenants a cash incentive to give up properties larger than they require. This proposal would in effect place tenants in an under occupancy situation whereby they would qualify for the downsizing incentive. Clearly, the intention is to strike a balance between the tenant's needs and the demands of the council to fill vacancies that are proving hard to let due to size and type. The council has already approved a special lettings initiative and reduced criteria for the letting of low demand sheltered/amenity blocks which could also potentially create under occupancy. The scheme requires to be amended to allow officers discretion when dealing with requests under the downsizing scheme to decline applications from tenants obtaining a

tenancy under this or any other special initiatives to fill vacancies where their circumstances haven't changed or no other special circumstances prevail.

6. IMPACT

Improving Customer Experience:

These changes will improve customer experience by affording more choice of area for homeless families and will reduce the waiting time for single people and couples.

Improving Staff Experience:

A reduction in correspondence arising from extended waiting times and associated frustrations will be achieved and increased satisfaction for families being rehoused within their area of choice will make for more fulfilment in related roles.

Improving our use of Resources:

This approach will reduce reliance on expensive temporary accommodation whilst homeless applicants await rehousing.

Corporate

The proposals in this report are in line with Aberdeen City Council's 5 Year Business Plan 2013/14-2017/18, Local Outcome Improvement Plan and the Single Outcome Agreements. They will deliver Smarter Living and focus on prevention and intervention and the Prosperous People theme – people are resilient, included and supported when needed.

7. MANAGEMENT OF RISK

The most significant risk of maintaining the current arrangements is likely to be an increased waiting time for statutory homeless applicants requiring to be rehoused and associated disturbance to normal living. Whilst the financial cost to the Council is significant in terms of temporary accommodation expenditure, the social cost arising from prolonged homelessness is more profound still.

Adopting the recommendations may lead to a partial reversal of the significant reduction in waiting lists for 2 bedroom vacancies and the financial implications of households occupying larger properties than they strictly require for welfare benefit purposes is predicated on current policy and allowance changes, which are susceptible to change by DWP or under newly devolved social security powers.

8. BACKGROUND PAPERS

H&E/11/005 Review of the Allocations Policy (01 March 2011)

9. REPORT AUTHOR DETAILS

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