



A fresh approach to people, homes and communities

Agenda Item 12

Report of the Director of
Customer and Estate
Services to Board
4th May 2017

**REVIEW OF THE LETTINGS POLICY AS A RESULT OF CHANGES IN
UNIVERSAL CREDIT FOR 18 TO UNDER 22 YEAR OLD CLAIMANTS**

1. Executive Summary

The purpose of this report is to update Board on the review of the Lettings Policy following the changes in Universal Credit regulations relating to housing costs for 18 to under 22 year olds and to seek Board approval to recommend the changes to the council.

2. Recommendations

2.1 That the Board agree the proposed changes to the Lettings Policy and Code of Guidance as contained in Appendix 1.

2.2 The Director of Customer & Estate Services to forward these recommended changes to the Lettings Policy and Code of Guidance to the Council for consideration and agreement of the changes.

3. Introduction/Background

- 3.1 The current lettings policy was agreed by the Council and implemented from April 2014. Although there has been a minor amendment in the Lettings Policy in 2016 to reflect changes in how we advertise vacancies following the Access to Service review, the policy is and has remained fit for purpose since the last review in 2014.
- 3.2 The changes in the Welfare Benefits system contained in 'The Universal Credit (Housing Costs Element for claimants aged 18 - 21) (Amendment) Regulations 2017 means that we need to review the way we deal with housing applicants aged 18 to under 22, who will no longer automatically qualify for financial assistance towards their rent payments, subject to their financial situation.

4. Current Position

- 4.1 The current Lettings Policy was implemented by Berneslai Homes in April 2014.
- 4.2 While the current Lettings Policy is still considered 'Fit for Purpose' changes brought about by the introduction of The Universal Credit (Housing Costs Element for claimants aged 18 to 21) (Amendment) Regulations 2017 means that from 1st April 2017 the Housing Costs Element of Universal Credit will not be payable for all claimants aged 18 - 21 years old going forward. We now need to review the way we deal with housing applicants aged 18 to under 22 to avoid the situation whereby we are offering accommodation to housing applicants that may no longer be affordable.
- 4.3 A copy of the revised Universal Credit Regulations are attached at Appendix 3 of this report together with a summary of the regulations and importantly the exceptions to the regulations which highlights who may still receive support with housing costs in the future.
- 4.4 The review of the Lettings Policy, which has been managed by the Lettings Manager, has included a presentation to the Customer Panel in February 2017, discussions with members of Barnsley Tenants and Residents Federation and Senior Officers and the Cabinet Spokesperson for Place from the Council, who have agreed in principal the proposed direction for dealing with 18 to under 22 year old housing applicants.
- 4.5 The review has concentrated solely on addressing the potential affordability issues for 18 to under 22 year old housing applicants who may no longer qualify for assistance with their housing costs given the changes in Universal Credit which were partially introduced by Government from the 1st April 2017 and will be fully rolled out in Barnsley in July 2017 as part of the Government's Universal Credit implementation timetable.

- 4.6 The recommended changes to the Lettings Policy and Code of Guidance, which supports the Lettings Policy, are in summary:
- Housing applicants aged 18 to under 22 will still be able, subject to the existing Lettings Policy eligibility criteria, to make applications and be eligible to join the waiting list.
 - Following initial assessment the applicant will be advised of their eligibility to join the waiting list and that should they become eligible for an offer of accommodation an affordability assessment will be undertaken. At this time we will advise any unemployed applicant to liaise with the Department for Works and Pensions (DWP) to ascertain whether they might qualify for assistance with their housing costs should their housing application be successful
 - Housing applicants aged 18 to under 22 years old will still be eligible to apply for accommodation through the Homeseeker Choice Based Lettings Service.
 - When applicants aged 18 to under 22 become eligible for an offer, it is proposed that a financial assessment is undertaken to ensure that the applicant is able to pay their rent, either from their own income or are one of the exempt cases under Universal Credit regulations and therefore will still be able for assistance with their housing costs under Universal Credit. Where the housing applicant is able to afford the rent for the property, the offer will go ahead and where the offer is unaffordable we will advise the housing applicant that they will not qualify for an offer until their situation changes and they either become eligible for assistance with housing costs through Universal Credit or they gain employment and have sufficient income to pay their housing costs direct.
- 4.7 As at 1st April 2017 out of a waiting list of 5603 there were 707 applicants within the age group 18 - under 22 years. Of the 707 applicants, 241 are single persons and potentially adversely affected by these proposals. This equates to 4.3% of the total waiting list. However, the list of cases which the Government has indicated will be exempt from the Universal Credit changes means that fewer than 241 are likely to be affected.
- 4.8 In 2016/2017 we rehoused 112 under 22 year old applicants out of a total number of lettings of 1456. 7.7% of the total number of allocations. Of this total 48 (3.3% of allocations completed) were single persons and potentially affected by the proposals had they been effective in 2016/17.
- 4.9 Whilst it is anticipated that the numbers of affected applicants will be low, the impact of the benefit changes could be significant on both:
- The availability of accommodation for young people, as some local authorities and Registered Providers may choose to completely exclude this age bracket from their waiting lists/allocations policies.
 - Rent collection rates and the sustainability of tenancies for Council/ Registered providers.

The recommended changes in the Lettings Policy will help to mitigate these effects.

5. Options

- 5.1 Do not change the Lettings Policy/Code of Guidance and allow housing applicants aged 18 to under 22 to gain tenancies without any financial checks being undertaken. This is likely to result in increased rent arrears, and tenancy failures.
- 5.2 Exclude housing applicants from joining the waiting list. This will result in less risk to income collection but will drastically reduce the housing options to this age group and may well affect the demand for smaller units of accommodation, studio and one bedroom flats which younger people tend to request.
- 5.3 Allow housing applicants aged 18 to under 22 to join the waiting list but carry out a financial assessment prior to offer to ensure any accommodation offered is affordable and the tenancy has the maximum opportunity to be sustainable. This is the recommended option.

6. Consultations

- 6.1 Consultations have taken place with Berneslai Homes' Senior Management Team, Senior Officers and the Cabinet Spokesperson for Place within the Council and Barnsley Tenants and Residents Federation who are supportive of the approach being recommended.

7. Equality and Diversity

- 7.1 These recommendations have been subject to an Equality Analysis which has included Members of this Board. While the Government's policy to restrict access to housing costs support is directly aimed at younger people, the proposals to change the Lettings Policy are designed to minimise the effects on the 18 to under 22 age group.
- 7.2 Equality monitoring of the Lettings Service forms part of the Berneslai Homes Performance Management Framework considered by Senior Managers.

8. Risks

- 8.1 There are risks associated with not making the proposed changes to the Lettings Policy in terms of increased rent arrears, possible evictions and adversely affect tenancy sustainability. The recommended changes aim to address some of these risks.
- 8.2 There is a risk that delays in customers providing information regarding their income etc. will increase the void turnaround time. We intend to notify customers at the earliest possible opportunity of the need to provide financial information to mitigate any increases in void turnaround times.

9. Financial Implications/Value for Money
- 9.1 There are no direct financial / value for money implications resulting from this report.
10. Employee Implications
- 10.1 None arising directly from this report.
11. Agreement of the Council required or divergence from the Strategic Plan
- 11.1 The Lettings Policy is a Council Policy. Any agreement to change the Lettings Policy by this Board will need the approval of the Council.
12. Proposal
- 12.1 That Board approve the recommended changes to the Lettings Policy.
13. Glossary
- 13.1 None.
14. List of Appendices
- 14.1 Appendix 1 – The revised Draft Lettings Policy - Recommended changes contained in Section 8g (page 29).
- 14.2 Appendix 2 – The revised draft Code of Guidance - Recommended changes are contained within Section 9f(viii) Page 76.
- 14.3 Appendix 3 – Summary of the changes in Universal Credit: Housing Costs for 18 to under 22 year olds.
15. Background Papers
- 15.1 The Universal Credit (Housing Costs Element for Claimants aged 18 to 21) (Amendment) Regulations 2017.
- 15.2 Explanatory Memorandum to The Universal Credit (Housing Costs Element for Claimants aged 18 to 21) (Amendment) Regulations 2017. 2017 No. 252.

Financial Implications/Consultations

A. Ruddle

Officer Contact: Bob Cartwright
Lettings Manager

Tel. No. 787676

Date: 24th April 2017