

PERTH AND KINROSS COUNCIL

Housing and Health Committee

Size Criteria in the Social Rented Sector

29 May 2013

Report by the Executive Director (Housing and Community Care)

PURPOSE OF REPORT

From April 2013, the UK Government's Welfare Reform Act reduces the amount of Housing Benefit that people living in the social rented sector can receive if they are deemed to have one or more spare bedrooms.

This report advises Committee of the key aspects of the Size Criteria, highlights the actions taken to date by Perth and Kinross Council in respect of this change and also provides details of the pro-active and preventative approach being taken to tackle the issues which may arise.

It is anticipated that there may be adverse impacts as a result of this change and these have been highlighted in this report to ensure that Committee are aware of potential issues.

1. BACKGROUND / MAIN ISSUES

From 1 April 2013, people living in the social rented sector (defined as housing that is owned and managed by local authorities or registered social landlords) may have their Housing Benefit reduced if they have one or more bedrooms above their housing need. This is commonly referred to as the "bedroom tax", under-occupation penalty or social size criteria; for the purpose of this report it will be referred to as the Size Criteria (SC).

This change in the social rented sector applies only to tenants of working age (i.e. from age 16 up to the minimum qualifying age for Pension Credit).

In general terms, where it is deemed that there is under-occupation, the Housing Benefit eligible rent figure will be reduced by a fixed percentage of:

- 14% for one extra bedroom
- 25% for two or more extra bedrooms

There are some exceptions to the Size Criteria rules and these, along with further information and guidance, can be found by accessing <http://www.pkc.gov.uk/welfarerights>.

Awareness of the key changes and issues relating to the Size Criteria were provided to elected members during the 'UK Government's Welfare Reform' briefing sessions held in January 2013.

In the Perth and Kinross Council area, as at 30 January 2013, there were **759** known households affected by this change (this figure changes on a regular basis and it is a time consuming exercise to refresh this). The following breaks this figure down further:

Landlord	Number with one extra bedroom	Number with two or more extra bedrooms	Total
Perth and Kinross Council	232	194	426
Housing Associations	195	138	333
Total	427	332	759

All households identified as being affected by the Size Criteria have been contacted timeously and information and advice provided. The methods of communication include letters, telephone calls, visits, leaflets, posters and website. Joint working continues to take place with the registered social landlords.

All relevant stakeholders, front-line staff in particular, have been made aware of the pro-active and preventative approach favoured for dealing with these cases. For example, these cases are being closely monitored for any non payment and where issues arise, contact will be made at an early stage to establish if there is any other type of support or advice which could be provided.

A “Benefit Champion” five day training course (provided by the Welfare Rights Team) continues to be offered to front-line staff to up-skill them and to provide the holistic approach at the earliest possible opportunity.

There is UK wide concern that this change will lead to an increase in rent arrears and this will have a detrimental impact on all social sector landlords. For councils, not only will this bring financial risk in respect of rent, it is anticipated that it will have a knock-on effect on other monies owed to the Council, in particular, Council Tax. In turn this could increase collection costs.

2. PROPOSALS

It is proposed that this Council continue to take a pro-active and preventative approach to assisting those households affected by both this change and the other Welfare Reform measures. Examples of the type of advice and assistance which is being provided to help minimise/mitigate the impact on people are as follows:

- Moving to a smaller property (e.g. downsize via mutual exchange)
- Free advertising on the Housing Portal
- Renting out a spare room
- Finding work/increasing hours of work
- Reviewing household budgets

- Having family members contribute more
- Making sure all relevant benefits are being claimed
- Energy Efficiency referrals

All of the above actions, combined with pursuit of all legal recovery options, will mean that it is very unlikely that arrears due to the Size Criteria changes alone will result in eviction.

In certain circumstances, an award of Discretionary Housing Payment (DHP) may be considered as a short term solution to help meet the shortfall in rent; it should be noted that this is a limited budget and a significant increase in applications is anticipated.

One particular co-ordinated exercise between Education and Children's Services and the Revenues and Benefits Service has resulted in a number of kinship carers being invited to apply for Discretionary Housing Payment in order to provide financial assistance with a shortfall in Housing Benefit.

As is normal practice in this Council, a case by case approach will continue to be taken and this will enable the circumstances of each case to be fully considered.

3. CONCLUSION AND RECOMMENDATIONS

Housing and Health Committee note the key issues relating to the Size Criteria changes.

Housing and Health Committee endorse the pro-active and preventative approach of Perth and Kinross Council to minimising/mitigating the impact of these changes on our communities.

Author(s)

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Approved

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Date 13 May 2013		

*Reports to be presented to a Member / Officer Group, Committee, Sub-Committee or the Council **must be signed off** by the Chief Executive or the relevant Executive Director.*

If you or someone you know would like a copy of this document in another language or format, (on occasion only, a summary of the document will be provided in translation), this can be arranged by contacting *(Lynn Brady)*



Council Text Phone Number 01738 442573

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	No
Communication	
Communications Plan	Yes

1. Strategic Implications

Corporate Plan

1.1 The Council's Corporate Plan 2013-2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at both a corporate and service level and shape resource allocation. They are as follows:

- Giving every child the best start in life
- Developing educated, responsible and informed citizens
- Promoting a prosperous, inclusive and sustainable economy
- Supporting people to lead independent, healthy and active lives
- Creating a safe and sustainable place for future generations

1.2 This report relates to all of these objectives.

2. Resource Implications

Financial

2.1 Rent Arrears is monitored on an ongoing basis and this will continue. The bad debt provision on the Housing Revenue Account for 2014/15 has been increased from 1.75% to 5% which equates to approximately £813,000.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as not relevant for the purposes of (EqIA).
- 3.3 The Department of Works and Pensions carried out its own impact assessment in relation to this change.

Legal and Governance

- 3.5 This Council is administering this change in accordance with current UK guidance and regulation.

Risk

- 3.6 Many of the changes brought about by the UK Government's Welfare Reform agenda introduce risk and these are being monitored on an ongoing basis at both Corporate and Service level. The risks associated with the introduction of Size Criteria are also being monitored at a national level.

4. Consultation

Internal

- 4.1 Internal consultation was undertaken with all relevant stakeholders (i.e. Finance, Legal, Housing, Senior Management Team) and this was done as part of the awareness raising strategy and the implementation process for the introduction of Size Criteria.

- 4.2 External

No external parties have been consulted in the preparation of this report.

5. Communication

- 5.1 Information relating to Size Criteria and other Welfare Reform changes has been cascaded to all relevant stakeholders (both internal and external) on an ongoing basis. The methods of communication include briefing sessions for elected members and other interested parties (e.g. front-line staff, third sector, Registered Social Landlords, public), updates on the web-site, leaflets and other literature. In February 2013, the Welfare Reform Awareness Raising

Campaign was launched and this included radio adverts, posters on buses, bus shelters, refuse lorries etc. Contact was made directly with those households directly affected by SC and this was done via telephone calls, letters and visits.

6. BACKGROUND PAPERS

No background papers, as defined by SECTION 50D of the Local Government (Scotland) Act 1973 were relied upon to a material extent in preparing this report.

