Keyways – Hard to Let Properties

SYNOPSIS BOX
Following the Localism Act 2011 and Welfare Reform Act 2012, this local authority like many others is experiencing some hard to let properties of a certain size and type depending on their supply and demand. In order to prevent extended void times, rent loss and security risk to an empty home, this report seeks Member approval for the CBC Allocation Policy to consider smaller households for larger properties when there are no larger households bidding for such property. This will also increase the housing options for households in need registered on the housing list. As a last resort option, the landlord would consider works on properties that are suitable and the costs are reasonable to scale down the property in size.

1. Introduction and Relevant Background Details
The current Allocation Policy ensures that nominations made in the first instance make best use of our stock by type and size. All nominations are also subject to an affordability test.

To ensure that there are as many options available to the local authority when allocating properties and to prevent voids, rent loss and damage to empty properties, additional options need to be considered;

- The Allocation Policy needs to include an additional power to consider smaller households for properties only when there are no households of the eligible size available after the second bidding cycle via the Choice Based Lettings system.
- Any ‘hard to let’ properties advertised for 4 bidding cycles or more will be considered for property works to reduce the size of the property (if considered suitable and the costs are reasonable i.e. reduce a 3 bedroom property to a 2 bedroom property)

2. Report
The current Allocations Policy nominates to properties based on the best use of stock, eligibility and affordability.

For example only:
A 3 bedroom property will be allocated in the first instance to a household with 2 children who cannot share bedrooms - only if there are no households of this type available will it be allocated to a household with 2 children who under welfare reform are deemed able to share a bedroom.

If both households are entitled to Housing Benefit (HB), the latter household would be subject to a benefit reduction via the Social Sector Size Criteria of 14% for 1 bedroom. An affordability test would be conducted at nomination stage.

In accordance with the Allocations Policy, households with 1 child are currently unable to bid. However the housing list has families with 1 child that would be prepared to consider a 3 bedroom property which may be affordable to them.
If a household with 1 child were to be successful in bidding for a 3 bedroom property and entitled to HB they would be subject to the Social Sector Size Criteria Benefit reduction as outlined above. The same would apply to a household with 2 children that can share a bedroom (as mentioned above).

Since the review of the Allocations Policy following the Localism Act and the Welfare Reform Act, 51 larger (3 beds and above) properties have been classified as ‘hard to let’. These have therefore needed to be re-advertised (some for several weeks) until an eligible household has placed a successful bid.

3. Options to be considered:
   1. Remain as we are and continue to allocate property sizes/types as per the current Allocations Policy.
   2. Introduce an additional power to the policy allowing ‘hard to let’ properties to be available to smaller households (subject to affordability) following two bidding cycles. Permit the landlord to consider suitable and cost reasonable works to the property to reduce the size of the property after four such bidding cycles.

4. Issues to be taken into account:-

   Policy Priorities
   The current Allocations Policy remains a scheme of choice with preference to those in the greatest need and best use of stock.

   Financial
   The current software to allocate properties will not require any changes and therefore incur no costs to the authority.
   There is a potential for loss of rent during extended void periods and an additional cost of repair for any damage that may occur during these periods also.
   The cost of any property works will be sourced from the existing capital programme.

   Risk
   There is a risk of greater void rent losses and damage to empty properties should we continue as we are.

   Legal
   No direct legal implications to policy, it will continue to be open and transparent.

   Performance Information
   There are no National Performance indicators to consider. However, empty property numbers; numbers returned to use and the resultant net reduction are recorded and reported on in the ‘Performance Matters’ publication.

   Human Rights
   Protocol 1
   - Article 1 – the right to peaceful enjoyment of possession (includes tenancies).
   - Article 8 – the right to respect for private and family life and property.
   Neither of these is breached as a result of the proposed changes.

   Equalities
   There is a current EIA for the Allocations Policy and no adverse impacts have been identified if the recommended changes are approved.
The Corporate plan has a key objective to improve the well being and quality of life for residents in the Borough. We have a moral duty to current applicants and future tenants to offer them the widest range of Housing options available for them to make considered choices.

**Economic**

The change to the Allocations Policy will enhance housing options for households on the waiting list and reduce voids/rent loss/damage to empty properties.

**Social**

Empty Homes are an issue for the community and can be vulnerable to damage.

**Community Safety**

Empty homes can attract anti social behaviour and blight the areas they are located in. Allocating properties as quickly as possible can reduce the risk of anti social behaviour, vandalism, and squatting.

**Consultation**

Consultation has been undertaken with the Lead Member of Housing, Assistant Chief Executive, Landlord Services Manager and the Housing Strategy Manager.

**Best Value**

Changing how we deliver Housing Option solutions demonstrate that the Council is striving to continuously improve by being driven due to the needs and aspirations of applicants.

**Sustainability**

The Allocations Policy will continue to give applicants choice and prioritise those in the greatest housing need. All successful applicants are subject to eligibility, verification and affordability checks which are imperative to ensuring that any tenancy is sustainable.

We are committed to the sustainable communities’ agenda set by the Government which will help people live how and where they want. CBC aspires to provide the best quality accommodation.

5. **Conclusion**

Following every effort to nominate to the most suitable eligible sized household, we will consider nominations to smaller households and suitable works to reduce a property size on ‘hard to let’ properties only. This will in turn reduce void times, rent losses and risk of damage to empty properties.

6. **Recommendation**

Members are asked to support and agree the new powers to the Allocations Policy which will allow the flexibility to nominate smaller households to properties that are ‘hard to let’ and permit the landlord to consider works on such properties when suitable and the costs are reasonable.

**Background Papers**

Keyways Housing Allocations Policy

**External Consultations**

None

**List of Appendices**

None
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