

FAREHAM

BOROUGH COUNCIL

Report to Housing Tenancy Board

Date **26 January 2015**

Report of: **Director of Community**

Subject: **IMPACT OF THE REMOVAL OF THE SPARE ROOM SUBSIDY**

SUMMARY

This report provides Board members with a summary of the impact that the removal of the Spare Room Subsidy (RSRS) has made to Council Housing tenants.

RECOMMENDATION

That Board members note the contents of the report.

INTRODUCTION

1. As part of the Government's Welfare Reforms from April 2013 tenants of working age and in receipt of Housing Benefit (HB) that under-occupy their home saw a reduction in their weekly benefit entitlement, as a result of the removal of the spare room subsidy (RSRS).
2. As a result of the RSRS those tenants that under-occupied their home by one bedroom saw a reduction in their HB entitlement of 14% and those tenants that under-occupied their home by two or more bedrooms saw a reduction in their HB entitlement of 25%.
3. Prior to the RSRS many of those tenants affected would have had their rent in full covered by HB and thus had nothing to pay.
4. Board members last received a report on the impact the RSRS on 27 January 2014.

IMPACT OF REMOVAL OF SPARE ROOM SUBSIDY

5. Officers monitor the rent accounts of those tenants affected by the RSRS every 2-3 months to gauge the impact this is having.
6. As at 7 December 2014 there are 116 tenants that are affected by the RSRS, 100 of these are under-occupying by one bedroom and 16 by two or more bedrooms.
7. Of the tenants affected by the RSRS 54 were in rent arrears (equivalent to 47%) at 7 December 2014; 30 of these tenants were in arrears prior to the RSRS (equivalent to 64%). The remaining 62 cases are showing either a clear or credit balance on their rent account.
8. Of the 54 tenants in arrears 36 are making payments and reducing their arrears. In the remaining 18 cases arrears are increasing and further recovery action is to be taken. In 3 of the cases requiring further action application for warrant of eviction are being considered.
9. The 54 tenants in arrears as at 7 December 2014 owed a total of £32,328. This is an increase of £5,245 for RSRS cases since April 2013.
10. A breakdown of the level of rent arrears owed by those tenants affected by the RSRS is shown in the table below:

| Number of Cases | Arrears Banding |
|-----------------|-------------------|
| 15 | < £50 |
| 7 | >£50 but <£100 |
| 6 | >£100 but <£250 |
| 8 | >£250 but <£500 |
| 8 | >£500 but <£1000 |
| 4 | >£1000 but <£2000 |
| 6 | >£2000 |
| 54 | Total |

DISCRETIONARY HOUSING PAYMENT (DHP)

11. Tenants affected by the RSRS may be entitled to receive further financial assistance in making up the shortfall in HB by claiming Discretionary Housing Payment (DHP).

12. DHP however is short term as funds are limited. As a result claims are reviewed every 3 months.
13. Claims for DHP are assessed by the Council's Revenues and Benefits team. There are currently 13 tenants affected by the RSRS in receipt of DHP.
14. In 7 of the 13 cases DHP has resulted in the tenant having nothing to pay other than any outstanding arrears; five of the six remaining cases the tenants are making payments and arrears are reducing and in one case further recovery action is being taken.

REHOUSING

15. Since April 2013 7 tenants affected by the RSRS have moved to smaller accommodation; all by way of an exchange.
16. As at 18 December 2014 there were 7 tenants affected by the RSRS under-occupying their home registered on HomeSwapper looking to exchange to smaller accommodation; of these 5 were under-occupying by one bedroom and two by 2 or more bedrooms.
17. In contrast there are 23 tenants registered on HomeSwapper that are overcrowded and looking for larger accommodation; 12 of these are looking for an extra bedroom and 11 are looking for 2 or more extra bedrooms.
18. As at 18 December 2014 there are 2 tenants registered on the HWL that have been affected by RSRS and looking to move to smaller accommodation both tenants are also registered on HomeSwapper.
19. Tenants affected by the RSRS who downsize via the HWL can receive payment of up to £500 from the Council to assist them with the cost of moving home.

RISK ASSESSMENT

20. There are no significant risk considerations in relation to this report

CONCLUSION

21. This report has provided Board members with information on the impact on Council Housing as a result of the removal of spare room subsidy.

Background Papers: None

Reference Papers: Impact of Removal of the Spare Room Subsidy –
Report to Housing Tenancy Board 27 January 2014

Enquiries:

For further information on this report please contact Jon Shore. (Ext 4540)