

FAREHAM

BOROUGH COUNCIL

Report to Health and Housing Policy Development Review Panel

Date **16 January 2014**

Report of: **Director of Community**

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

SUMMARY

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

RECOMMENDATION

That Panel members note the contents of the report and endorse the proposal to organise an event for those tenants affected by the RSRS who may be interested in moving to smaller accommodation.

INTRODUCTION

1. As part of the Government's Welfare Reforms from April 2013 tenants 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. Officers monitor the rent accounts of those tenants affected by the RSRS on a monthly basis to gauge the impact this is having.

IMPACT OF REMOVAL OF SPARE ROOM SUBSIDY

5. As at 1 December 2013 there are 112 tenants that are affected by the RSRS, 92 of these are under-occupying by one bedroom and 20 by two or more bedrooms.
6. Rent arrears have increased by £7,989 between April and December 2013 for these cases.
7. 64 of the tenants affected by the RSRS were in rent arrears (equivalent to 57%) as at 1 December 2013, the remainder showing either a clear or credit balance on their rent account. 20 of these tenants were in arrears prior to the RSRS.
8. 34 of the 64 tenants in arrears are paying and either clearing or reducing their arrears. In the remaining 30 cases arrears are increasing. This in the main is as a result of erratic or insufficient payments. In 2 cases the tenant has made no payments at all since the RSRS, this has resulted in a Notice of Seeking Possession being served on the tenants which might result in referral to court.
9. 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
10	< £25
6	>£25 but <£50
10	>£50 but <£100
10	>£100 but <£200
5	>£200 but <£300
18	>£300 but <£500
4	>£500 but <£1000
1	>£1000 but <£2000

10. Tenants with arrears of between £300 and £500 that have not made an arrangement to repay or reduce the level of arrears are likely to be served with a Notice of Seeking Possession.

DISCRETIONARY HOUSING PAYMENT (DHP)

11. Some of the tenants affected by the RSRS may be entitled to receive further financial assistance in making up the shortfall in HB by making a claim for 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 7 tenants affected by the RSRS in receipt of DHP.
14. In 4 of the 7 cases the payment of DHP has meant the tenant has nothing to pay. In the remaining 3 cases the tenants are making payments and arrears are reducing.

REHOUSING

15. Since April 2013 7 tenants affected by the RSRS have moved to smaller accommodation; 6 by way of an exchange and 1 through the Housing Waiting List (HWL).
16. As at 6 December 2013 there were 26 tenants under-occupying their home registered on HomeSwapper looking to exchange to smaller accommodation. 23 of the 26 were under-occupying by one bedroom and 3 were under-occupying by 2 or more bedrooms. In contrast there are 24 tenants registered on HomeSwapper that are overcrowded so looking for larger accommodation.
17. Of the 26 tenants registered on HomeSwapper as under-occupying their home 15 are affected by the RSRS.
18. As at 16 December 2013 there are 18 tenants registered on the Council's Housing Waiting List looking to move to smaller accommodation. Of these 3 are affected by the RSRS and 5 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.

PROPOSED EVENT

20. In view of the fact that there are a number of tenants affected by the RSRS that may wish to pursue a move to smaller accommodation officers are proposing to hold an event in January/February 2014 to which the following would be invited:
 - (a) All tenants that are affected by the RSRS;
 - (b) Tenants registered on the Council's Waiting List who are looking to move to smaller accommodation; and
 - (c) Tenants that are registered on HomeSwapper and currently overcrowded and looking for a move to larger accommodation.
21. Fareham's Housing Association partners are to be notified of the event in order that they can publicise this to their tenants affected by the RSRS.
22. Such an event would enable officers to:

- (a) Make those tenants that are affected by the RSRS aware of the possibility of claiming DHP and assist them in making an application as necessary;
- (b) Make those tenants that are affected by the RSRS aware of their housing options should they wish to move either through HomeSwapper or the Housing Waiting List, assisting them in making applications as necessary and;
- (c) Make those tenants that are under-occupying their home and registered on the Housing Waiting List aware that they can also register on HomeSwapper, assisting them to register as necessary.

23. The event would also provide an opportunity for tenants who are under-occupying and those that are over-crowded to meet and potentially discuss exchanging with one another.

24. It is anticipated that officers would be present from the Tenancy Services, Housing Options and Revenue and Benefits teams with access to PC's to enable any applications or claims to be made.

RISK ASSESSMENT

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

CONCLUSION

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

27. The report has also highlighted a proposed event to increase tenants' awareness of the options available in dealing with the impact of the RSRS including making claim for DHP and applying for a move to smaller accommodation.

Background Papers: None

Reference Papers: None

Enquiries:

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