
ADJUSTMENTS TO 4 BED COUNCIL PROPERTY DESIGNATION

**Responsible Cabinet Member – Councillor Veronica Copeland,
Adult Social Care and Housing Portfolio**

Responsible Director - Richard Alty, Director of Place

SUMMARY REPORT

Purpose of the Report

1. A, small number of 4 bedroomed Council houses are of a non traditional design resulting in a fourth bedroom that is impractical. It is proposed that these properties are re-designated to 3 bedroomed houses and the rent reduced to reflect this change.

Summary

2. There are 43 three storey houses in Branksome, Lascelles Park and Redhall where the fourth bedroom is on the first floor next to the living room and therefore tends not to be used as a bedroom.
3. The introduction of the Bedroom Tax in April 2013 has highlighted this issue and families are being unfairly penalised for under-occupying these properties. The proposed reduction in the number of designated bedrooms will have a small negative impact on the Housing Revenue Account and result in lost rental income of approximately £10,000 per annum. It will not have significant implications for the 30 Year Housing Business Plan.

Recommendation

4. It is recommended that :-
 - (a) The 43 four bedroomed three storey properties identified as being affected are re-designated to three bedroomed houses and the appropriate reduction in rent is applied
 - (b) The change in designation should come into effect from 1 October 2013.

Reasons

5. The current design is making these properties more difficult to let and putting undue financial pressure on the families affected by the Bedroom Tax.

Richard Alty
Director of Place

Background Papers

No Background papers were used in the preparation of this report.

Ken Davies: Extension 2435

S17 Crime and Disorder	There are no Crime and Disorder implications
Health and Well Being	Financial worries can lead to health problems if not addressed
Carbon Impact	There are no carbon impact implications in this report
Diversity	There are no diversity implications
Wards Affected	Branksome, Lascelles Park and Redhall
Groups Affected	Council Tenants
Budget and Policy Framework	This does not affect the Budget or Policy Framework There will be a reduction of approximately £10,000 per annum in rental income to the HRA, which can be accommodated
Key Decision	This is not a key decision
Urgent Decision	This not an urgent decision
One Darlington: Perfectly Placed	The change reflects the objectives contained in One Darlington Perfectly Placed
Efficiency	The proposals will increase the popularity of this type of property and therefore reduce relet times

MAIN REPORT

Information and Analysis

6. There are 43 three storey houses at Branksome, Lascelles Park and Redhall where one bedroom is situated on the first floor along with most of the living accommodation. This bedroom is not really suitable for use particularly for younger children as it is on a different floor to the remaining bedrooms and the toilet facilities. Consequently, demand for these properties has been variable and they have become even less popular with the introduction of the bedroom tax in April 2013 which penalises families for under-occupying.
7. To ensure continued demand for these properties and improve the financial position of those 16 families currently affected it is proposed that the designation be changed to reflect difficulties contained within the design. The current average rent for all of the properties is £78.82. If converted to three bedroomed houses, the average rent will decrease to £75.86.

Financial Implications

8. There will be a loss of approximately £10,000 in rental income per annum. This would not have any significant impact on the Housing Business Plan as the value is small in relation to the £18.5m rental income (excluding service charges) we receive in total. Tenants will see a reduction in their weekly rent and for those in receipt of Housing Benefit their benefit will be reassessed.

Legal Implications

9. The Department of Communities and Local Government (CLG) have been critical of Registered Housing Providers who have redesignated properties to assist tenants avoid the implications of the Bedroom Tax and have sought to retain rents at the same level. A letter to Chief Executives in June 2013 from Lord Freud said that the CLG would not have objections to redesignation where the change was justified and included a consequential reduction in rent. It went on to state that the change should be consistent for both housing benefit and rent purposes and should not simply be a blanket change. In making this change the Council is following this guidance so we do not expect to be challenged.
10. For those tenants affected by the Bedroom Tax, Housing Officers are working with them wherever possible to support them moving to somewhere smaller or manage their budgets to cover their increased rental contributions.

Consultation

11. This change will only benefit the affected tenants and no one will be worse off. The intention therefore is to write to the tenants to advise them of the change. The proposals have been considered by members of the Tenants Board who in turn have given their support.