CANNOCK CHASE COUNCIL
HOUSING POLICY DEVELOPMENT COMMITTEE
20 JANUARY 2009
REPORT OF THE DIRECTOR OF SERVICE IMPROVEMENT
SHELTERED HOUSING ACCOMMODATION – ALLOCATION TO OWNER-OCCUPIERS

1. Purpose of Report
1.1 To review the criteria for the allocation of sheltered housing to owner-occupiers.

2. Recommendations
2.1 That the Housing Policy Development Committee consider the criteria for the allocation of sheltered housing to owner-occupiers and determine whether the equity limit and/or the requirement for a minimum Category Two medical priority should be removed.

2.2 That the existing eligibility criteria for the allocation of one and two bedroom bungalows to owner-occupiers continues to form part of the Council’s allocations policy.

2.3 That the recommendations are submitted to a future Cabinet meeting for consideration.

3. Conclusions and Reason(s) for the Recommendation(s)
3.1 Owner-occupiers have to meet certain eligibility criteria before they can be considered for sheltered housing accommodation. Changes to the criteria would enable occupiers to access traditional sheltered housing which is not available for purchase in the private sector and help reduce lettings difficulties in respect of vacancies at the Council’s sheltered housing schemes.

4. Key Issues
4.1 Under the Council’s current (and future Choice Based) lettings policies owner-occupiers are eligible for the allocation of a one or two bedroom bungalow or sheltered accommodation if the following criteria are met:-

(a) The household has been awarded a medical priority of Category Two or above.

(b) The equity that would be released from the sale of an applicant’s current home together with any savings or investments is less than £80,000.

(c) In the case of sheltered accommodation the household is aged over 60.

4.2 It has been suggested that the owner-occupiers equity limit should be removed for the allocation of sheltered accommodation, as this would:-

(a) Enable all owner-occupiers (with a medical need) to access “traditional sheltered housing” which is not available for purchase in the private sector.
(b) Increase the demand (and so reduce the lettings difficulties) in respect of vacancies at the Council’s sheltered schemes.

4.3 Consideration could also be given to removing the requirement for owner-occupiers to have a minimum of Category Two medical priority before they can be considered for sheltered housing. This further restricts the demand for sheltered housing and is anomalous from the situation for other applicants who can be considered for sheltered housing (in accordance with their relative housing need) without the requirement for a Category Two medical priority.

4.4 As alternative bungalow accommodation is available for purchase in the private sector it is not considered that the existing eligibility criteria for the allocation of one and two bedroom bungalows to owner-occupiers requires amendment at the present time.

4.5 The Council has agreed to implement a Choice Based Lettings Scheme for the future allocation of accommodation. Any revision of the existing policy regarding the allocation of sheltered housing to owner-occupiers would be incorporated through a minor amendment to the agreed scheme.
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Section 1

Background

Under the Council’s current (and future choice based lettings) policies owner-occupiers are eligible for the allocation of a one or two bedroom bungalow or sheltered accommodation if the following criteria are met:-

(a) The household has been awarded a medical priority of Category Two or above.

(b) The equity that would be released from the sale of an applicant’s current home together with any savings or investments is less than £80,000.

(c) In the case of sheltered accommodation the household is aged over 60.

The current equity limit of £80,000 was established by Cabinet on 18 January 2007. The figure is based on the average estimated value of vacant Council one bedroom bungalows (£70,000) which are offered for sale under the Council’s strategy for improving the dwelling mix of the social housing stock, together with an allowance of £10,000 for fees and repair and redecoration work to the bungalow.

Section 2

Details of Matters to be Considered

The Council has always restricted the allocation of bungalows and sheltered housing to owner-occupiers through the imposition of an equity limit. It has been argued that the demand for this type of Council accommodation generally exceeds supply and in accordance with the Council’s objective of allocating vacant dwellings for those households in the greatest need, the use of an equity limit ensures that vacant bungalows and sheltered housing units are let to households who do not have the financial resources to purchase a home of their own.

The validity of this argument is, however, dependent upon suitable accommodation being available for purchase in the private sector. Whilst a range of bungalows (including the one bedroom bungalows which are being sold by the Council) are available for sale, “no traditional sheltered housing” is available for purchase in the Cannock Chase area. The alternative for owner-occupiers with an equity of above £80,000 who wish to live in “supported accommodation” is to purchase a leasehold bungalow, provided through the previous joint venture schemes at Mill Street, Cannock and Ravenhill, Brereton.

The Council has experienced lettings difficulties with regard to its sheltered housing schemes for some years and the low demand for this type of accommodation was one of the reasons for the demolition of Cornwall House, Hednesford and Cherry Tree House, Brereton. However, despite this action there were only 19 eligible households requesting accommodation at one of the Council’s four sheltered schemes on the housing register in December 2008 and as these households were not prepared to consider moving at the time, the Council had five sheltered housing scheme vacancies.

It has therefore been suggested that the owner-occupiers equity limit should be removed for the allocation of sheltered accommodation, as this would:-

(a) Enable all owner-occupiers (with a medical need) to access “traditional sheltered housing” which is not available for purchase in the private sector.
(b) Increase the demand (and so reduce the lettings difficulties) in respect of vacancies at the Council’s sheltered schemes.

Consideration could also be given to removing the requirement for owner-occupiers to have a Category Two medical priority before they can be considered for sheltered housing. This further restricts the demand for sheltered housing and is anomalous from the situation for other applicants who can be considered for sheltered housing (in accordance with their relative housing need) without the requirement for a Category Two medical priority.

As alternative bungalow accommodation is available for purchase in the private sector it is not considered that the existing eligibility criteria for the allocation of one and two bedroom bungalows to owner-occupiers requires amendment at the present time.

The Council has agreed to implement a Choice Based Lettings Scheme for the future allocation of accommodation. Any revision of the existing policy regarding the allocation of sheltered housing to owner-occupiers would be incorporated through a minor amendment to the agreed scheme.

Section 3

**Contribution to CHASE**

The review of the criteria for the allocation of sheltered housing to owner-occupiers contributes to the Healthier Communities, Housing and Older People objective of CHASE.

Section 4

**Financial Implications**

There are no direct financial implications arising from this report.

Section 5

**Human Resource Implications**

There are no direct Human Resource implications arising from this report.

Section 6

**Legal Implications**

The Council’s allocations scheme must provide reasonable preference to the categories of people set out in Section 167(2) of the Housing Act 1996 but can include additional criteria including the financial resources available to the applicant to meet his/her housing costs within any scheme.

Section 7

**Section 17 (Crime Prevention) Implications**

There are no direct Crime Prevention implications arising from this report.

Section 8
Human Rights Act Implications

Article 8 provides that:-

1. Everyone has the right to respect for his private and family life, his home and his correspondence.

2. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic wellbeing of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

In reviewing the criteria for the allocation of sheltered housing to owner-occupiers, the Council is complying with the legislation which empowers it to do so, whilst considering the needs of the residents of the district.

For this reason the proposals are considered to be compatible with the Human Rights Act.

Section 9

Data Protection Act Implications

There are no direct Data Protection Act implications arising from this report.

Section 10

Risk Management Implications

The low demand for certain elements of the Council’s housing stock has been identified in the Council’s risk register. The gross risk score is 16 which falls within the high risk category.

A number of actions including the implementation of the Decent Homes Improvement Plan and Choice Based Lettings will however reduce the risk score to 8, placing it within the low risk category.

The Council experiences lettings difficulties with regard to its sheltered housing schemes. The removal of certain eligibility criteria for the allocation of this type of accommodation to owner-occupiers would increase the demand and so reduce lettings difficulties. It is not however considered that this action should reduce the risk score further.

Section 11

Equality and Diversity Implications

The Choice Based Lettings Scheme (which will include any amended policy for the allocation of sheltered housing accommodation to owner-occupiers) will be subject to a comprehensive impact assessment prior to implementation.

Section 12

Other Options Considered

03-Sheltered Housing Accommodation
Two other options have been considered:-

(a) The current eligibility criteria remain unchanged – certain owner-occupiers would not be able to access “traditional” sheltered housing which is not available in the private sector.

(b) The removal of the eligibility criteria for the allocation of one and two bedroom bungalows – alternative bungalow accommodation is available for purchase in the private sector.

Section 13

List of Background Papers

None

Annexes to the Report

Report Author Details

Ian Tennant (Head of Housing), ext. 4210