

# **SBC should withdraw the proposal to introduce compulsory “affordability assessment”**

**S**windon council currently offers advice and support to tenants in relation to finances, benefits and employment for anyone who wishes to receive their help. However, the council is now proposing to introduce a compulsory “affordability assessment” for all households registered on the Council's housing waiting list, and all current council tenants applying to move to an SBC home which would have a rent higher than their existing property.

When people apply to go on the council's housing waiting list they are subject to an assessment to see if they have an household income sufficient to be able “to afford a suitable property on the market”, whether that be private rent, a mortgage or part-ownership. If it's judged that they can afford this then they are blocked from joining the list. The council introduced this against tenant opposition (See [Throwing people off the waiting list](#)<sup>1</sup>). We believed it was a convenient means of cutting the numbers on the waiting list. It fell from over 16,000 households to less than 4,000.

We were told at the time that the change would stop lots of well-off people applying for council housing. The implication was than the town's housing shortage was less severe than the numbers on the list suggested. When we challenged the Lead Member on what evidence he had for his assertion that many people on the list could afford to buy a house, he had to admit he had none! We have now been informed that since the new allocations policy was introduced in April 2015 just **one** household has been stopped from going on the waiting list because they earned enough for shared-ownership! What is now being proposed is effectively a double means-test, checking whether people applying to go on the list earn 'too much' and then, when they bid for a property, checking if they earn 'too little'!

## **Affordability assessment**

The proposal to introduce an “affordability assessment” would operate in this way. When a household on the housing list bids for a property and they are chosen as the household to be granted a tenancy, they would have to meet with officers who would scrutinise their finances and decide whether they (the officers) think that the would-be tenant could afford the rent. If they decided they could afford it then they would be given a tenancy. If an officer decided that they could not afford the rent the applicant would be “provided with a 'not now' decision” and “invited to join the 'Greenlight for Housing' programme”.

The use of the word “invited” is somewhat dubious.

“If applicants *show a commitment to engage in the programme* although the application will be suspended until they are assessed as being able to sustain a tenancy, they will retain their time on the waiting list and therefore not be adversely affected in respect of their position on the housing register. (our emphasis)”

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<sup>1</sup> <http://keepourcouncilhomes.wordpress.com/2014/05/04/throwing-people-off-the-housing-list-cannot-disguise-the-depth-of-the-housing-crisis/#more-934>

The question hanging in the air is, what if the applicant takes offence, and refuses to allow a council officer to examine their finances and their personal circumstances? What if they are not prepared to “engage” with the programme? It seems unlikely that they will be able to bid for a property if they refuse to open themselves to a means-test and accept that a council officer will decide whether they think that the would-be tenant earns enough to afford the rent and be granted a tenancy.

### **Existing tenants**

The proposed system would also apply to existing council tenants if they apply for another property which would incur a higher rent than their current one. This might be a family which has another child and needs an extra bedroom, or simply somebody looking to move to another area. Given the variation in rents for properties of the same size, it might even be somebody looking to 'downsize'. So these people, even if they have always paid their rent on time, and never been in arrears, would be subject to a council officer **intruding into their lives**, and determining whether they could afford the property. If they were turned down then it appears that they would have to go on the 'Greenlight for Housing' programme or else they would have to stay where they were. What would happen if they were living in over-crowded conditions? Would they be allowed to continue doing so if they refused to 'engage' with the process?

If a household which comes top of the list for a tenancy is subsequently refused it as a result of the “affordability assessment” then council officers would have to check out the next household on the list. It might well have the impact of increasing the amount of time to turn around 'voids' (empty properties). This has the potential to delay properties being occupied and thus more rent being lost in the absence of a tenant. If a would-be tenant is in work then it might take some time for them to arrange to be free to meet with officers.

### **Focus on employment**

Officers have confirmed that people who are in receipt of full housing benefit will be deemed to be able to afford the property they are bidding for. People in temporary accommodation won't have to go through the process. They will be “direct matched to a property suitable for their needs.” That, of course, is because temporary accommodation is much more expensive than council rents. The focus of this process will, therefore, be on people whose rent is only partly covered by housing benefit (or the housing component of Universal Credit) and those who pay the full rent (or would be able to in the case of people on the housing list). Most of these will be in full or part-time work. It is ironic therefore that the document says that

“The programme will focus on helping prospective tenants to gain skills to lead them into employment, provide benefit advice and assistance with budgeting to include referrals for debt management.”

There is an unwritten assumption here, that the prospective tenant is not in work because of the absence of skills. This may not be the case, especially if they are disabled. It is common knowledge that the problem disabled people face is the lack of willingness of employers to take them on.

## **Workload**

This process will considerably increase the work that council staff have to carry out. The council is proposing to operate assessment at the application stage as well as when people on the list bid for a property. They estimate that if the assessment is made at the short-listing stage and at the point of registration this would mean in the region of **900 assessments a year**. The document says that staff will have to concentrate on those people most likely to find themselves in arrears: single people receiving Universal Credit and larger families affected by the benefit cap.

It says

“We also propose to carry out assessments at application stage to allow applicants time to work out an action plan whilst they accrue time on the waiting list and before they come up for an offer of accommodation.”

This poses the question of what happens if the council officer considers the 'action plan' of the applicant to be insufficient? This gives officers *more power over applicants*, and is potentially open to abuse. You cannot assume that all staff will be sympathetic. Human character varies considerably.

## **Working for the DWP?**

The danger here is that council officers, even if they are sympathetic rather than having a bureaucratic mentality, will end up effectively doing work for the DWP. The regime operated by the DWP is oppressive and based on the assumption that if somebody is unemployed it is *their* fault. The system is designed to *drive people off of benefits*, either by pressuring them into work (which may be poorly paid and insecure), or by making life so unbearable that they will withdraw from the process and stop claiming.

The danger is that the 'Greenlight for Housing' process will in effect support the methods of the DWP by the withholding of a tenancy being *a source of pressure*. As the experience of the DWP over many years shows, the mentality of staff can shift significantly when they operate a system which is so patently unjust and assumes that unemployment is the result of personal attitudes and failings rather than of the structure of the employment market and the methods and attitudes of employers.

The DWP lost a court case over forcing people to work for their benefits. It places people under pressure to do courses which are unsuitable (e.g. people who have IT skills being sent on to introductory IT courses). The stupidity and cruelty of its sanctions regime (e.g. man has heart attack in DWP interview and is sanctioned for not completing his interview) is well known.

**The housing department is not a job agency, nor is it its responsibility to pressure tenants or people on the housing waiting list, into work.** Notwithstanding the best of intentions of staff, the reason for the proposal to introduce this system on a compulsory basis, is not to help the tenants, *but to ensure that the rent comes in*. It is now clear that rent arrears are much higher when people are put onto Universal Credit. Those, for instance, who were on Employment Support Allowance, and subsequently declared “fit for work”, are not automatically transferred over to UC but have to put in a new claim. This can take 6 to 8 weeks, or even longer in some cases, to process. Since people in receipt of housing benefit have it stopped at the point when they are declared “fit for work”, this most

often means they go into arrears. This is not their fault but that of the DWP. The welfare 'reforms' are the cause of the problem. What sense does it make to end housing payments under these circumstances? It simply pushes people into arrears.

### **No to a compulsory system**

If council officers offer advice to tenants on a voluntary basis that is fine. If tenants *chose* to accept help and advice they are doing so freely. However, **to introduce a compulsory system is unacceptable**. It is intrusive and increases the power which council officers have over tenants' lives. It opens up the possibility they they will not be just offering financial advice, or advice to help negotiate the benefit system, but potentially **telling them how to conduct their lives**. The housing department should not be acting to reinforce the pressure that the DWP puts people under.

The council document suggests that this process will “ensure that tenants are able to afford their rent”. However, because a tenant can afford the rent when they start their tenancy it does not mean that will always be the case. Life circumstances can change, be it redundancy, accident or illness. Moreover, the proliferation of insecure employment, temporary jobs, zero hours contracts, and so on, means that more and more people are vulnerable to the impact of a job market which has much less secure employment than used to be the case.

**The proposal to introduce compulsory “affordability assessments” should be withdrawn.** Tenants should be treated as independent adults not children. It is up to them to judge whether or not they can afford the rent. Offer help and advice by all means, but intruding into their lives is unacceptable. To impose compulsory assessments would mean that the council is not prepared to trust their judgement and let them be responsible for themselves.

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March 20<sup>th</sup> 2017