

# Report to Communities Select Committee

**Date of meeting: 6 September 2016**

**Portfolio: Housing – Councillor Syd Stavrou**

**Subject: Incentives for Tenants Downsizing Accommodation**

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## Recommendations/Decisions Required:

**That following the request of the Communities Select Committee the report on incentives for tenants downsizing be considered with any comments being passed to the Housing Portfolio Holder and the Director of Communities.**

## Report:

1. At its meeting on 27 June 2016, the Communities Select Committee considered the Annual Report on Performance against Housing Service Standards 2015/16. Under the Section relating to Housing Register and Allocations, Members asked for details of the current incentives offered to existing tenants who are under-occupying Council accommodation in order to encourage them to move to any property with less bedrooms than their current property (provided both properties are owned by the Council), hence the need for this report.

### **Increased Incentives under the Council's Housing Allocations Scheme**

2. Under the previous Housing Allocations Scheme which was in force between 1 September 2013 and 26 July 2015 the following section of the Scheme sets out the incentives granted at that time:

*"Where a tenant of the Council moves to any property (including any of the Council's tenants who mutually exchange in accordance with Paragraph 12.2 of this Scheme) with less bedrooms than their current property and both are owned by the Council, they will be offered £500 to cover removal costs plus £500 for each bedroom "released", subject to the tenant having a housing need for the downsized property, and a maximum payment of £2,000 being made"*

*"Any tenant wishing to enter into this arrangement whose rent account is in arrears, must be prepared to accept that the arrears will be deducted from the amount paid"*

*"No payments will be made to successor tenants who are required to move to smaller accommodation"*

3. The Council's Housing Allocations Scheme was reviewed in 2015 with the revised Scheme coming into force on 27 July 2015. When considering the recommendations of the Housing Select Committee the Cabinet agreed that the financial incentives offered to tenants moving to any property with less bedrooms than their current property (provided both properties are owned by the Council) would be increased.

4. The following section of the current Scheme sets out the incentives now granted to tenants

who are downsizing accommodation:

*“Where a tenant of the Council is under-occupying accommodation and is downsizing accommodation and moves or enters into a mutual exchange (in accordance with Paragraph 12.2 of this Scheme) to any property with less bedrooms than their current property and both properties are owned by the Council, they will be offered £500 to cover removal costs a payment of £500 to meet decoration costs (in addition to the amount paid under the Council’s decorations allowance scheme set out at Paragraph 19.1) and £1,000 for each bedroom “released”, subject to the tenant having a housing need for the downsized property, and a maximum payment of £4,000 being made”*

*“Any tenant wishing to enter into this arrangement whose rent account is in arrears, must be prepared to accept that the arrears will be deducted from the amount paid”*

*“No payments will be made to successor tenants who are required to move to smaller accommodation”*

5. As can be seen, the financial incentives offered for releasing any bedroom has been doubled under the current Scheme. Furthermore, an additional payment of £500 is made to cover decoration costs over and above the Council’s standard decorations allowance.

### **Other Incentives under the current Housing Allocations Scheme**

6. In addition to the financial incentives set out above, the Council also offers the following additional incentives to tenants of the Council who are downsizing to smaller accommodation, where both properties are owned by the Council:

- Where a tenant of the Council is downsizing accommodation, they will be considered for a bungalow if they wish, normally allocated to persons over 60 years of age, but provided they are over 50 years of age
- The Council’s incentive payments set out at Paragraph 4 above are also made to existing tenants who downsize accommodation by way of mutual exchange, providing all parties to the mutual exchange are tenants of the Council and are adequately housed as a result
- Any housing applicant who refuses two offers of accommodation in any period have their application deferred for a period of twelve months, however, any tenant of the Council who is under-occupying and is wishing to move to smaller Council accommodation, are able to refuse three offers of suitable accommodation in any period before their application is deferred in the same way thereby giving them more flexibility and choice
- Home seekers with Council or Housing Association tenancies in the District wanting to move to accommodation with fewer bedrooms than the property they currently occupy on a permanent basis are granted Band A (the highest Band) priority
- If a Flexible (fixed-term) Tenant wishes to transfer to smaller accommodation, the financial incentives to downsize set out in Paragraph 4 above apply within the first 7 years (including the Introductory Tenancy period) of the 10 year fixed-term
- The Financial Criteria which excludes any person from joining the Housing Register if they have over £76,000 in income, savings or other assets is disregarded where a tenant of the Council is under-occupying and is downsizing accommodation and moves or enters into a mutual exchange to any property with less bedrooms than their current property and both properties are owned by the Council, although incentive payments do not apply in such cases

- The Council generally grants its existing Lifetime Tenants who are under-occupying their current accommodation and are transferring to a property with less bedrooms (where both properties are owned by the Council), a Secure Tenancy on their new smaller accommodation. As with pre 1 April 2012 tenancies, such protection only applies on one occasion.

## **Statistical Information – Applicants Downsizing in the Last 12 Months**

### *Downsizing payments*

7. Since the revised Housing Allocations Scheme came into force on 27 July 2015, 34 downsizing payments have been made in the sum of £77,000 “releasing” 43 bedrooms. This included £17,000 in removal expenses with a total of £14,530 being credited to rent accounts due to arrears.

### *Housing Register*

8. All tenants downsizing are granted Band A (the highest Band) priority. There are currently 139 applicants in Band A, 97 of whom are wanting to downsize accommodation. . Since the revised Housing Allocations Scheme came into force, 87 lettings have been made to Band A applicants 34 of which were to downsizers.

9. As can be seen, there are already 97 tenants in Band A wishing to transfer to smaller accommodation. If incentives were increased and more tenants joined the list for this purpose it would result in larger numbers waiting for smaller accommodation. The only benefit appears to be that there would be a bigger pool of tenants which would increase the likelihood of any available smaller properties being accepted. As there are already a high number waiting to downsize and 43 bedrooms have already been “released” it does not seem beneficial to either increase the financial incentives, nor invest in promotional campaigns. Furthermore, officers are not convinced that the financial incentives tempt tenants to downsize with many not being aware of the financial benefits until after they have applied.

### *Availability and demand for smaller accommodation*

10. It is important to note that the availability of all types of accommodation is reducing. Furthermore, when the Housing Allocations Scheme was reviewed Members agreed that homelessness applicants would only be made direct offers on flatted accommodation when discharging the Council’s homelessness duty, in order to give applicants who have been on the Housing Register waiting for such accommodation the opportunity to bid on houses.

11. In addition, it should be noted that existing tenants of the Council on the Housing Register living in 2 or 3 bedroom flatted accommodation (including maisonettes) are granted Band B (the middle Band) priority and can make expressions of interest on houses that meet with their housing need, with their registration date being the tenancy commencement date of their current property. This is in order to recognise that any tenant already living in a flat should be given the opportunity to bid on a house thereby freeing up further flatted accommodation for homeless applicants. It is therefore important that smaller accommodation is made available for this purpose as well as for those downsizing. There are currently 526 applicants in Band B 187 of whom are actively bidding for houses under this category. Smaller accommodation is also desperately needed for single applicants on the Housing Register.

## **Re-Housing Support Officer**

12. The Council employs a Re-Housing Support Officer who as part of her duties offers support to tenants who are downsizing accommodation in accordance with the Council’s

Housing Allocations Scheme. The range of support offered includes assisting with:

- Joining the Council's Housing Register
- Contacting those in Band A who wish to downsize but have not bid on properties
- General advice on downsizing accommodation
- Arranging accompanied viewings
- Assisting with tenancy sign-up
- Liaising with the Repairs Service on appropriate void works
- Liaising with the Furniture Re-use Project
- Contacting and liaising with Utility Companies and relevant agencies and services
- Informing organisations and agencies of new addresses
- Organising packing, removals and other associated practical arrangements
- In the future, to contact all of the Council's tenants on the on-line mutual exchange register "HomeSwapper" who are downsizing, advising them they can also join the Housing Register and bid on smaller Council properties

13. The Communities Select Committee is asked to consider the report and pass any comments to the Housing Portfolio Holder and the Director of Communities.

**Consultation undertaken:**

14. The Tenants and Leaseholders Federation will be consulted at their meeting on 31 August 2016 with their comments being reported orally.