

**SCRUTINY COMMITTEE – COMMUNITY  
10 NOVEMBER 2009**

**EXECUTIVE  
24 NOVEMBER 2009**

**DOWNSIZING INCENTIVES FOR COUNCIL TENANTS**

**1. PURPOSE OF REPORT**

- 1.1 To seek Members' agreement to implement an amended downsizing incentive scheme for Council tenants to improve the management of the housing stock and increase the supply of family housing to applicants on the Home Choice register.

**2. BACKGROUND**

- 2.1 At its meeting on 13 March 2007 the Executive agreed a policy to encourage tenants who currently under-occupy their Council home to downsize to more suitable accommodation. The policy outlined a number of incentives that would be provided including cash payments together with help, advice and support services.
- 2.2 Since its implementation the policy has proved popular with tenants seeking to transfer to smaller properties. Indeed, during the two years 2008/09 and 2009/10 a total of 112 tenants have taken advantage of the scheme. These moves have released 6, 4-bed properties, 62, 3-bed properties and 44, 2-bed properties to families currently on the Home Choice register.
- 2.3 However, the scheme has also been a victim of its own success. In both these years we have needed to exceed the original budget in order to maintain the scheme. This over-spend was agreed because the increase in family housing becoming available was having a positive impact on the housing register and in particular the number of families in temporary accommodation. We were also able to fund these overspends from savings made elsewhere within the housing revenue account.
- 2.4 Unfortunately, this position could not be maintained in 2009-10. Because of increases in our subsidy payment to Government and a decrease in income from investments, we are no longer able to fund any overspend in this budget. Therefore, when the 2009-10 budget of £50,000 was reached in August the scheme was suspended.
- 2.5 Whilst cash incentive payments are no longer available, we have found an additional £20,000 to pay removal fees for those people still willing to move but who require some financial assistance with the actual move. Advice and support is also being maintained through the dedicated Tenant Liaison Officer.
- 2.6 As a result of the above, and the scheme's continued popularity with tenants, a review of the scheme has been undertaken in order to make it more sustainable in future years. A copy of the revised scheme has been attached as Appendix I.

**3. PROPOSAL**

- 3.1 At the time of the review there were 161 applicants on the Home Choice register wishing to downsize. It is expected that this demand will increase once the new Council own-build properties start to be constructed together with other new over 55's schemes on the Council's in-fill sites.

- 3.2 Demand for family size properties also remains strong on the Home Choice register. Whilst demand for two-bedroom properties is the highest, the waiting time for families requiring three-bedroom properties is the longest given the lack of supply of this size of property. As a result the need for a downsizing policy remains as strong today as it was in 2007. Indeed, given the total procurement costs of new build properties the downsizing scheme continues to demonstrate excellent value for money and provides positive outcomes for both downsizing tenants and families on the Home Choice register.
- 3.3 Given its popularity, and the limited funding available for the scheme, the main change being proposed is a reduction in overall cash incentive payments. This will allow the annual budget to fund more moves and help release higher numbers of family homes. Therefore, a tenant moving from a three bedroom to a one-bedroom property will receive a maximum payment of £1,500 cash incentive, including any removal fees. This total amount represents a saving of over £1000 on the current scheme for a similar move. Advice and support will also be available from the Tenant Liaison Officer as before. To many of our tenants this is as important as the cash incentive.
- 3.4 As before the total amount actually paid to the tenant will depend on any rent arrears or any repairs re-charges on the property after the tenant has moved.
- 3.5 Another proposal in the new scheme is that any tenant downsizing into new purpose built accommodation – such as the new Council own-build properties – will not be eligible for a cash incentive payment but will qualify for removal costs and advice and assistance from housing staff. Given that these properties will be highly energy efficient, and therefore cheap to run, and will be fully accessible with modern appliances it is believed this will be incentive enough for existing tenants wishing to move from their large family properties.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 An annual budget of £50,000 will continue to be made available within the Housing Revenue Account to make downsizing payments to tenants.

#### **5. RECOMMENDED:**

- 1) that Scrutiny Committee – Community supports and Executive agrees to adopt the amended policy document, *Reducing Under-Occupation in the Council's Housing Stock – Incentives for Downsizing*.

HEAD OF HOUSING SERVICES

S:PA/LP/ Committee/1109SCC5  
30.9.09

COMMUNITY & ENVIRONMENT DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)**  
**Background papers used in compiling this report:**