

**SCRUTINY COMMITTEE – COMMUNITY
6 SEPTEMBER 2011**

**EXECUTIVE
20 SEPTEMBER 2011**

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 Devon 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 Following its implementation the policy proved popular with tenants seeking to transfer to smaller properties. During the two years 2007/08 and 2008/09 a total of 102 tenants took advantage of the scheme. These moves released 121 bedrooms for use by families currently on the Devon Home Choice register.
- 2.3 However, due to the scheme being a victim of its own success, in August 2009 the budget of £50,000 had been exceeded and the scheme had to be suspended.
- 2.4 In order to prevent this situation re-occurring a revised policy, which included a reduction in the cash incentive paid to tenants who were downsizing, was agreed by Executive in November 2009.
- 2.5 Following this revised policy being introduced there has been a reduction in the number of tenants downsizing. During the 2 years 2009/10 and 2010/11 a total of 48 tenants took advantage of the scheme freeing up a total of 61 bedrooms.
- 2.6 The reduction in the number of tenants taking up the scheme was in the most part thought likely to be due to the reduction in the incentive payments. However, there were also changes made through the introduction of Devon Home Choice in December 2009 which reduced the priority of tenants on the register who were only freeing up 1 bedroom to the medium needs, band C. Once this was identified as another possible cause of the reduction it was addressed by "labelling" properties giving preference to tenants who were downsizing.
- 2.6 As a result of the reduced take up of the downsizing scheme a review of the scheme has been undertaken in order to encourage further take up by tenants and thus free up more much needed family accommodation. A copy of the policy revising the scheme has been attached as Appendix I.
- 2.7 Currently there are 130 Exeter City Council tenants on the Devon Home Choice register downsizing by 1 bedroom and 40 by 2 or more bedrooms. There are currently 8228 applicants currently on the register for Exeter.

3. PROPOSAL

- 3.1 It is proposed that a tenant moving from a three bedroom to a one-bedroom property will receive an increased maximum payment of £2000 as opposed to the current £1,500 cash incentive, including any removal fees. A tenant downsizing by 1 bedroom will receive an increased maximum payment of £1,500 from the current figure of £1,000.
- 3.2 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. However, there is an element of officer discretion in order to facilitate appropriate family accommodation being made available.
- 3.5 It is proposed that on new schemes 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 of a maximum of £500 and advice and assistance from housing staff.

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. This will be reviewed in the normal budget setting process and following an assessment of any increased take up of the scheme once the increased cash incentives is available to tenants.

5. RECOMMENDED:

- 1) that Scrutiny Committee – Community supports and Executive agrees to adopt the amended policy document (appendix 1), *Reducing Under-Occupation – Incentives for Downsizing*.

ACTING HEAD OF HOUSING

S:PA/LP/Reports/911SCC4
20.7.11

COMMUNITY & ENVIRONMENT DIRECTORATE

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