



To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart  
Report by: Andrew Latchem, Area Housing Manager.  
Relevant scrutiny committee: Housing Management Board 4/6/2013  
Wards affected: All Wards

## **UNDER OCCUPATION ASSISTANCE SCHEME Key Decision**

### **1. Executive summary**

- 1.1 In February 2008 the Housing Management Board approved the allocation of £30,000 per annum for an incentive scheme aimed at releasing family sized homes. Following a review of the scheme in 2009 the Housing Management Board approved the continued allocation of £30,000 per annum for the under Occupation scheme.
- 1.2 In 2011 due to increased demand a further £20,000 per annum was made available to the fund. The budget is now £55,000 for 2013 /2014.
- 1.3 The current under occupancy scheme offers an incentive of £800 removal grant and £1,000 per bedroom relinquished for Council tenants who move to smaller accommodation.
- 1.4 As a result of the changes to Welfare Benefit, and in particular, the reduction of Housing Benefit for spare rooms it is appropriate to review the scheme. There is increasing demand from tenants to downsize to smaller properties to avoid the reduction in Housing Benefit.

### **2. Recommendations**

The Executive Councillor is recommended:

- 2.1 To approve the revised scheme with effect from 1<sup>st</sup> July 2013.
- 2.2 To approve the revised assistance scheme of £500 for removals and £500 for downsizing, a maximum of £1,000 per application.
- 2.3 To agree that the scheme will also cover City Council tenants downsizing via a mutual exchange.
- 2.4 To restrict the scheme to tenants moving within the HOMELINK area.

### **3. Background**

- 3.1 The current scheme offers £800 for removal expenses and £1,000 for each bedroom relinquished. Typically the scheme has paid out £1,800 or £2,800 per applicant allowing about 25 tenants to move each year. With the reduction of Housing Benefit for tenants who are under occupying there has been an increase in the number of tenants applying to move to smaller accommodation. The annual budget for 2012 / 2013 was all allocated by February 2013.
- 3.2 Initial information indicated that about 600 tenants would be affected by the reduction in Housing Benefit, about 500 having one spare bedroom and nearly 100 having two or more spare bedrooms. City Homes has conducted a small survey on about 300 of those initially affected by the reduction in Housing Benefit. About 1/3 of those completing the survey have indicated a desire to move, although many of them have yet to register on Homelink. The allocation Policy has recently been revised to give those under occupying greater priority.
- 3.3 Tenants moving by exchanging properties do not currently benefit from the scheme. However, a number of tenants looking to swop properties to downsize said they could not afford to move, 32% said they would move if given financial assistance. Therefore, it is proposed to extend the new scheme to assist tenants downsizing via a mutual exchange. The £500 removal grant would assist with moving and the additional £500 would recognise the relinquishing of a bedroom.
- 3.4 Following the recommendation at the Housing Management Board on the 3<sup>rd</sup> January 2012 the City Council has now signed up to the "Under Occupation Partnership Agreement" with other

local registered providers and local authorities within the sub region. This will enable us to share information and to exchange data on new build schemes with other landlords.

3.5 The table below shows the current and revised schemes.

| <u>CURRENT SCHEME</u>                                     | <u>REVISED SCHEME</u>  |
|---|--|
| Pays £800 for removal expenses on serving Notice To Quit. | £500 for removals assistance on serving Notice To Quit.                                    |
| Pays £1,000 per bedroom given up.                         | £500 only – regardless of bedrooms given up.   |
| Tenant can move anywhere.                                 | Only applies if moving within HOMELINK properties.   |
| Not available to tenants doing mutual exchange.           | Tenant doing mutual exchange who is downsizing is eligible for £500 removals grant + £500. |
| About 25 tenants per year benefit.                        | 55 tenants could benefit per year.   |

#### 4. Implications

(a) **Financial Implications**

The budget for 2013 / 2014 is £55,000.

(b) **Staffing Implications**

No staffing implications identified as a consequence of this report.

(c) **Equal Opportunities Implications**

The revised scheme will assist tenants of all ages and will assist tenants on low income or benefits.

(d) **Environmental Implications**

There are no direct environmental implications of this report.

(e) **Procurement**

Not applicable.

(f) **Consultation**

A small survey of tenants in under occupation resulted in 32% indicating that they would consider moving if they received financial assistance.

(g) **Community safety**

There are no community safety implications.

## **5. Background papers**

There are no background papers to this report.

## **6. Appendices**

Appendix 1 – Policy on the under occupation assistance scheme 2013.

## **7. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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**POLICY ON THE UNDER OCCUPATION ASSISTANCE SCHEME - 2013**

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**1.0 STATEMENT ON POLICY**

1.1 In February 2008, Cambridge City Council's Housing Management Board approved the allocation of £30,000 to help encourage tenants under occupying their existing council properties to move to smaller accommodation. The objective of this scheme was to offer an incentive to those residents for whom moving may be prohibitive, whilst enabling Cambridge City Council to maximise opportunities to fully occupy its stock.

1.2 Further funding of £20,000 per annum was added in 2011 / 2012 and now the budget is £55,000 per annum.

**2.0 KEY ISSUES FOR POLICY IMPLEMENTATION**

2.1 Cambridge City Council has historically allocated its stock based on housing need, ie by determining the bedroom requirement for the number of household members per applicant.

2.2 Cambridge City Council is aware that a number of its larger 3 and 4 bedroom properties are now occupied by tenants who's families may have grown up and moved out.

2.3 Although in the past the under occupation scheme was not targeted at any one particular tenant group, it was taken up mostly by older tenants. Recently with the reduction in Housing Benefit for tenants of working age with spare bedrooms there is an increasing demand to move from younger tenants.

2.4 Cambridge City Council has also invested in a sheltered scheme refurbishment programme, which it is hoped will help to make sheltered housing more appealing to those aged over 60.

2.5 The scheme is marketed via publicity in Open Door, on the internet and in leaflets available in reception areas.

- 2.6 The types of properties included in the scheme have been agreed based on current housing need.
- 2.7 In order to qualify for the scheme, applicants must be secure tenants of Cambridge City Council, and should have held their tenancy for at least two years.
- 2.8 For audit purposes, applicants will be asked to complete an application form for the assistance scheme.**
- 2.9 Applicants with arrears will be expected to use the payments to reduce the arrears and applicants with arrears in excess of the eligible payment may be refused.
- 2.10 The removal fee payment of £500 will be paid as part of the lettings process and if the applicant then fails to move, repayment will be demanded in full within one month of the date of payment.
- 2.11 It is intended that applicants arrange their own removals, disconnections and reconnections etc. Cambridge City Council cannot recommend removal companies.
- 2.12 The final payment of £500 as a result of moving to smaller accommodation will be paid after the applicant has moved and the void inspection and repairs have been completed. Any rechargeable repair costs will be deducted from the amount paid to the applicant at a rate in line with that paid by Cambridge City Council.
- 2.13 Payments will be made by cheque or BACS transfer and applicants should allow up to 28 days for receipt of final payment.
- 2.14 Applicants should be eligible for the type of property they are moving to and Cambridge City Council reserves the right to refuse applications where it is considered the applicant may be worsening their circumstances.
- 2.15 Applicants will be expected to fully utilise the Homelink scheme in order to find a suitable property to move to. The under occupation payment will be made in respect of mutual exchanges, but only to the tenant who is downsizing.