



To: Executive Councillor for Housing, Councillor Catherine Smart
Report by: Liz Bisset, Director of Customer & Community Services
Relevant scrutiny committees: Housing Management Board 1/10/2013

Wards affected: All Wards

Review of Under Occupation incentive scheme Key Decision

1. Executive Summary

- 1.1 In February 2008 the Housing Management Board approved the allocation of £30,000 per annum for a trial 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. 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. An earlier request to reduce the amount paid to each tenant was rejected by HMB in June 2013. Officers were asked to review the scheme and report back on other schemes offered to social tenants. Only £18,200 of this year's budget of £55,000 has been allocated.
- 1.3 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. This may be through transfer via Homelink or seeking to exchange with other social tenants.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To approve the continuation of the existing scheme.
- 2.2 To include tenants downsizing via a mutual exchange as part of the scheme.
- 2.3 To instruct Officers to prepare a bid for additional funding for the scheme as part of the 2013/14 revised budget and 2014/15 original budget processes in January 2014, if demand increases.

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. However, the take up in the first five months of 2013 / 2014 has been slow, only 9 tenants moving and £18,200 being allocated. This may be due to the difficulty of smaller suitable properties being available. If demand increases later in the year then officers will seek approval to increase the budget.

4.0 Proposed change: Tenants moving by exchanging properties do not currently benefit from the scheme. Therefore, it is proposed to extend the scheme to assist tenants downsizing via a mutual exchange. The £800 removal grant would assist with moving and the additional £1,000 would recognise the relinquishing of a bedroom.

4.1 This would assist tenants affected by the reduction in their Housing Benefit due to spare bedrooms, who want to move. However, a number of tenants looking to swap properties to downsize said they could not afford to move, 32% said they would move if given financial assistance.

4.2 Cambridge City Council offers a package to assist Council tenants moving through the Under Occupation incentive scheme. HMB asked for some examples from other Social Landlords and Appendix 1 gives a comparison.

5. Implications

(a) Financial Implications

The budget for 2013 / 2014 is £55,000. Any request for additional funding will be made as part of the 2014/15 budget process and incorporated into the HRA Budget Setting Report.

(b) Staffing Implications

There are no staffing implications identified as a consequence of this report.

(c) Equal Opportunities Implications

If approved the scheme will assist tenants on low income.

(d) Environmental Implications

There are no direct implications.

(e) Procurement

There are no direct procurement implications associated with this report.

(f) Consultation and Communication

A small survey of tenants resulted in 32% indicating that they would consider moving.

(g) Community Safety

There are no direct community safety implications associated with the under occupation incentive scheme.

6. Background Papers

No background papers were used in the preparation of this report:

7. Appendices

Appendix 1 - Other incentive schemes

8. Inspection of Papers

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

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APPENDIX 1 – OTHER INCENTIVE SCHEMES

Landlord	Budget	Per bedroom	Removals
Cambridge City Council	£55,000 pa	£1,000	£800
Sedgefield Borough Homes	£25,000 pa	n/a	£250
Arcadia Housing Group	£20,000 pa	Max = £1,000 in total	
Oldham	n/a	Between £500 - £1,000 in total	
Winchester	n/a	£1,000 in total	
Wherry Housing	£15,000 pa	Up to £3,000 in total per tenant	
Bristol CC	n/a	£500	Costs of removal
Medway council	£30,000 pa	£500	£500
L & Q	n/a	£400	£500
Edinburgh	n/a	Max £1,000 in total	
Leeds City Council	£200,000	£1,000	