

## EXECUTIVE DECISION SHEET

**Name of decision maker:** Cllr Margaret Griffiths

**Portfolio:** Housing

**Date of Portfolio Holder Decision:** 20/03/13

**Title of Decision:** Helping Tenants Move to a Smaller Home Policy

**Decision made and reasons:**

To approve the revised policy 'Helping tenants to move to a smaller house' as attached.

**Reports considered: ( here reference can be made to specific documents)**

Background report to the Housing and Communities Overview and Scrutiny Committee on 23 January 2013 and the revised policy document attached.

**Has budget been approved? (provide budget codes):** Yes – no additional budget required

**Officers/Councillors/Ward Councillors/Stakeholders Consulted:**

- Tenants at Tenant and Leaseholder Conference and tenants who have expressed a wish to move via the Moving with Dacorum Scheme
- Housing and Communities Overview and Scrutiny Committee Members
- Tenant and Leasehold Committee members

**Monitoring Officer comments:**

No further comments to add to this report.

**Deputy Section 151 Officer comments:**

The proposed 2013/14 budget includes £170k for the enhancement of the existing policy to accommodate the proposal in this decision. The HRA business plan is able to meet these costs without material risk to existing commitments.

Further, the relocation of tenants who are currently under-occupying their premises is likely to mitigate the risk to the council's rental income of the under-occupancy benefit reductions scheduled for implementation from April 2013.

**Implications:** The purpose of this policy review is to simplify and improve the incentives available to tenants who wish to move to a smaller home.

**Risk:** Limited risk – this policy is seeks to make best use of the Council's stock in line with the published principles of the Housing Service and to mitigate some of the risks presented by the introduction of the social sector size criteria

**Value for Money:** Making best use of the housing stock and mitigating some of the risk of the introduction of the social sector size criteria on rent collection performance ensures good value for money.

**Options Considered and reasons for rejection:**

**Portfolio Holders Signature:**

**Date:**

**Details of any interests declared and any dispensations given by the Standards Committee:**

**For Member Support Officer use only**

Date Decision Record Sheet received from portfolio holder: 13/03/2013

Date Decision Published: 20/03/2013

Decision No: PH/008/13

Date of Expiry of Call-In Period: 27/03/2013

Date any Call-In received or decision implemented:

## **BACKGROUND**

Background papers attached.



**AGENDA ITEM:  
SUMMARY**

<b>Report for:</b>	<b>Housing and Communities Overview &amp; Scrutiny</b>
<b>Date of meeting:</b>	<b>23 January 2013</b>
<b>PART:</b>	<i>1</i>
If Part II, reason:	

<b>Title of report:</b>	Reviewing Dacorum Borough Council's Approach to Under-occupation
<b>Contact:</b>	Cllr Margaret Griffiths, Portfolio Holder for Housing  Andy Vincent, Group Manager – Tenants and Leaseholders Author/Responsible Officer
<b>Purpose of report:</b>	To update committee members on the proposals to amend the existing incentive schemes to assist tenants to move into smaller accommodation and older people to move into sheltered accommodation.
<b>Recommendations</b>	It is recommended that Overview and Scrutiny Committee members support the proposal to enhance the existing arrangements enabling tenants under-occupying their home to move to smaller accommodation.
<b>Corporate objectives:</b>	Affordable Housing  Housing Principle – Making Best Use of the Housing Stock
<b>Implications:</b>	<u>Financial</u>  A budget of £170,000 in 2013/14 has been established to assist tenants to move to smaller accommodation, to assist older people to move into sheltered housing and to move tenants who are unable to live in their property due to it requiring major renovation works.
<b>'Value For Money Implications'</b>	

	<p><u>Value for Money</u></p> <p>The value for money implications are considered in the background to the proposals Section 1.0</p>
Risk Implications	Risk Assessment completed in November 2012
Equalities Implications	Equality Impact Assessment will be carried out when approval is sought for the policy.
Health And Safety Implications	None
Consultees:	<p>Portfolio Holder for Housing</p> <p>Director of Housing and Regeneration</p> <p>Tenant and Leaseholder Committee</p> <p>Tenants at the Housing Conference, via an on line consultation exercise and within <i>Housing News and Views</i></p>
Background papers:	<p>Welfare Reform Act 2012</p> <p><a href="http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-act-2012/">http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-act-2012/</a></p> <p>Housing Allocations Policy</p> <p><a href="http://www.dacorum.gov.uk/default.aspx?page=6652">http://www.dacorum.gov.uk/default.aspx?page=6652</a></p>
Glossary of acronyms and any other abbreviations used in this report:	<p>Under-occupation</p> <p>This is where a household living in a property does not utilise all the bedrooms within it. Due to spare bedrooms the property is considered to be under-occupied.</p>

## 1.0 Background

Addressing under-occupation has the potential to:-

1. Reduce the levels of housing need within an area as measured by the Housing Register
2. Minimise the impact of welfare benefit changes on rent collection performance, and on the financial pressure on tenants losing benefit.

### 1.1 Reducing Housing Need

Tackling under-occupation has a direct correlation with reductions in housing need. By 'freeing up' often highly desirable property types this can reduce both the number of households on the housing register as well as reducing the most pressing forms of housing need.

"It is clear that tackling under-occupation is a more cost-effective method of meeting housing need than building new homes. This is not to deny that more homes need to

be built. Far from it: new homes do need to be built but the cost of employing an officer dedicated to under-occupation is far cheaper than new development. ....'the long term benefits far outweigh the initial financial outlay. The annual cost of two or three dedicated staff, plus paying for all expenses associated with moving including a cash incentive, is always going to be less than building the equivalent number of homes."

*Under-occupation Report – National Housing Federation*

Addressing under-occupation can also reduce the number of major adaptations undertaken; by freeing up adapted or adaptable properties this can have a major impact on the resources devoted making properties fit for disabled tenants.

## 1.2 Maintaining rent collection performance

The changes to welfare benefits introduced as part of the Welfare Reform Act 2012 are likely to impact on the rent collection performance of Dacorum Borough Council Housing Service. The introduction of the Social Sector Size Criteria will reduce the benefit entitlement of household's under-occupying their home. Where there is a discrepancy between the size of the home occupied and the size of home required welfare benefit claimants will receive a 14% reduction in Housing Benefit for having 1 'spare' bedroom and a 25% reduction for 2+ 'spare' bedrooms. Nationally it is anticipated that 670,000 households will be affected by the changes.

Dacorum Borough Council has done some work with the Chartered Institute of Housing and the Housing Benefit service to model the impact on tenant's income within the district of the introduction of the Social Sector Size Criteria; this modelling indicates a £825,000 reduction in tenant's income across the borough.

## 2.0 National/regional context

Data from the Survey of English Housing details the extent of under-occupation across the country. In 2009/10 37% of households were considered to be under-occupying their home, with 11% of households under-occupying within the socially rented sector.

Across the Eastern Region over 40% percent or over 950,000 homes are under-occupied. Within the socially rented stock 48,000 homes or 13% of the stock is under-occupied.

The largest number of households with two or more spare rooms have a main tenant over 75 years of age, so it is impossible to discuss under-occupation without addressing the challenge of meeting the housing and support needs of older tenants.

### 2.1 Dacorum Context – existing approach

Dacorum Borough Council currently operates two 'under-occupation' incentive schemes.

1. The Tenant Removal Scheme – is available to older tenants wishing to move in to sheltered accommodation. The scheme offers tenants support in moving, including moving furniture and belongings, disconnecting and reconnecting gas appliances, disconnecting and reconnecting washing machines and paying for the tenant's phone to be transferred. A financial incentive is also given to tenants who move via the scheme:-

The amount payable is in accordance with the following scale:

Moving from 4 bedroom house - £1000.00

Moving from 3 bedroom house - £750.00

Moving from 2 bedroom house - £500.00

Moving from 2/3 bedroom flat - £500.00

2. Under-occupation scheme – this is available to any secure tenant wishing to move within the ‘general needs’ stock. Within this scheme tenants are offered a financial incentive to move to smaller accommodation. A tenant moving under the scheme will be entitled to a payment of £750 per bedroom released when moving to smaller accommodation.

In 2011/12 44 tenants moved via the Tenant Removal Scheme and 2 tenants moved via the Under-Occupation scheme. It is clear that these two schemes in their current guise are having different degrees of success in reducing the scale of under-occupation within the borough, with the Tenant Removal Scheme proving quite successful.

### Scale of Under-occupation within the borough

The information available on the Orchard Housing Management System indicates that over 11% of the housing stock managed by Dacorum Borough Council is under-occupied. This information must be viewed with a number of caveats:-

1. The information relies on Orchard being updated at the point a new tenant is offered a property
2. As household members change Orchard needs to be kept up to date and relies on tenants informing Dacorum Borough Council of any changes to the make-up of their family.

Of the tenants under-occupying their home 47% are over 65 (if these tenants are in receipt of Housing Benefit they will not be affected by the proposed welfare benefit changes and the introduction of the Social Sector Size Criteria).

Work undertaken by Dacorum Borough Council's Housing Benefit Department indicates the impact on tenants of the changes to welfare benefits to be introduced in April 2013 (the Social Sector Size Criteria) is as follows:-

Number of bedrooms over requirement	Number of benefit cases	Proportion of working age cases	Average weekly reduction in benefit	Lowest reduction	Highest reduction
1	713	24.5%	£15.12	£4.71	£20.84
2 or more	188	6.4%	£27.59	£11.48	£34.43
<b>overall</b>	<b>901</b>	<b>30.9%</b>	<b>£17.72</b>		

165 under-occupying tenants have expressed an interest in moving home, by registering a housing application. Number of live applicants on the Housing Register 5,000 (May 2012)

Number of applicants under-occupying their home	Number of bedrooms being under-occupied
93	1
63	2
9	3

3.3% of the applicants on the housing register are in receipt of under-occupation points.

Age profile of the applicant's under-occupying their home

Age Group	Number (total)	Number of bedroom being under-occupied		
		1 bedroom	2 bedroom	3 bedroom
0-24	1	0	1	0
25-50	27	24	3	0
51-69	62	35	22	5
70-89	68	31	34	3
90+	7	3	3	1

### 3.0 Consultation

In June 2012 proposals were developed identifying the areas which tenants would be consulted on in order to review the Council's approach to under-occupation. These are around:

1. Simplifying the available incentives by removing the differentiation between the under-occupation scheme and the tenant's removal scheme
2. Giving tenants under-occupying their home greater priority within the Allocations Policy to move.
3. Considering allowing tenants moving out of a large home the ability to retain one 'spare' bedroom.
4. Promote the Council's approach to under-occupation proactively on the Moving with Dacorum website if an applicant indicates they are under-occupying.
5. Allowing greater incentives to be made, encouraging households to move out of 'desirable' properties such as bungalows if that stops expensive adaptations being made to other less suitable homes.

Following these proposals being developed following consultation has been undertaken:-

- Article in News and Views (autumn edition)
- Workshop at the Tenants and Leaseholder Conference
- Email communication with 165 tenants who are on the housing register with priority for under-occupying their home

4 tenants attended the workshop at the Tenant and Leaseholder Conference – 23 tenants have responded to the email communication.

The comments below summarise the responses:

“The proposal that I would be allowed to retain a spare bedroom is one that I would welcome very much and would definitely encourage me to move to a smaller property sooner.”

“ ..we wholeheartedly agree that the housing allocations policy needs reviewing, it seems silly that more points are given to people needing bigger houses whilst those wanting to go into smaller accommodation are overlooked. It makes sense that if the people wanting to downsize were given priority this would free up the bigger houses for the people who need more bedrooms. We think the idea of paying for removals and a cash incentive is a good idea, however obviously we would only consider moving if both the property and location were acceptable to us.”

“Any financial help in moving would obviously be welcome but as we have been looking at swaps where we would have borne the cost this is not the prime factor. Finding a property we want to move to is equally important.”

### 3.0 Recommendations

It is recommended that Overview and Scrutiny Committee members support the recommendation that Dacorum Borough Council adopts one incentive scheme (an enhanced version of the current Tenant Removal Scheme) for all tenants moving as a result of under-occupation or who are moving because their existing home would require a major adaptation.

The Tenant Removal Scheme regularly assists tenants to move into sheltered housing. The scheme is valued by tenants and is achieving over 40 moves per year. The current under occupation incentive scheme is not achieving many moves (approximately 2 per year). Enhancing the under-occupation scheme will take much of the ‘haste’ out of moving and reduce the costs associated with moving house for tenants. Assisting people with low incomes to move could; increase the numbers of moves and offer a solution for those people who are struggling to pay their rent and who cannot afford the costs associated with moving.

The Tenant Removal Scheme – is available to older tenants wishing to move in to sheltered accommodation. The scheme offers tenants support in moving, including moving furniture and belongings, disconnecting and reconnecting gas appliances, disconnecting and reconnecting washing machines and paying for the tenants phone to be transferred. A financial incentive is also given to tenants who move via the scheme:-

It is recommended that the amount payable in an enhanced version of the Tenant Removal Scheme is in accordance with the following scale (please note that tenants will move either into a property size that matches their housing need or a maximum of one bedroom in excess):

Giving up 3 or more bedrooms - £2000.00

Giving up 2 bedrooms - £1000.00

Giving up 1 bedroom - £500.00

It is recommended that the Tenant Removal Scheme is renamed to – **Help to move to a smaller home** (see appendix 1 for a draft of this policy)

It is also recommended that within the new Housing Allocations Policy applicants who are downsizing as a result of under-occupation who are moving out of a 3 or 4 bedroom property should be able to retain a spare bedroom.





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# Helping tenants to move to a smaller home

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Housing Service

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November 2012

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Appendix 1

Version Control	
Status of Policy	Draft
Sponsor	Andy Vincent, Group Manager, Housing Landlord
Author/Reviewer	Lindsey Walsh, Tenant Services Manager
Approved	
Review Date	One year after above date

## **Policy Statement**

Dacorum Borough Council is committed to assisting households to move into appropriately sized accommodation where possible. Dacorum Borough Council's Housing Allocations Policy sets out the size of property different sized households are entitled too.

This incentive scheme **helping tenant move to smaller accommodation** is designed to enable tenants occupying larger properties to move into smaller accommodation if they benefit from 'spare' bedroom(s) in their existing property (i.e. under-occupy their property).

This scheme will combine all previous incentive schemes developed by Dacorum Borough Council (the Tenant Removal Scheme, Disabled Facilities Grant moves and the Under-Occupation scheme).

It has been recognised that moving to a smaller property can reduce utility bills, rent and Council Tax. Dacorum Borough Council will allow tenants with rent arrears to move as the debt can be offset against the allowance provided under the scheme. This would enable those that are caught in a debt situation in larger properties to reduce their living expenditure each week and so help them to manage their debts.

The Scheme could also help those that are finding a larger property with a garden a struggle but are unable to afford the cost of moving. It is envisaged that the Scheme will also help to reduce those properties that are considered 'harder to let'.

Any tenant wishing to move via this scheme will need to have submitted a housing application and sought accommodation via the 'Moving with Dacorum' scheme. If they successfully bid for smaller accommodation then support for a move will be forthcoming via this scheme. This Scheme does not give any additional priority to an applicant and does not give the promise of an immediate move.

Where a tenancy is in dispute due to a relationship breakdown or where domestic violence has occurred, the remaining tenant(s) would not be eligible to move via the Under Occupation Scheme until the tenancy issues had been resolved.

Due to complications of rent arrears, types of tenancy, repairs and maintenance etc, it is not be viable to extend the scheme to Housing Association tenants that are currently on Dacorum Borough Council's housing register. (I.e. those tenants currently living in a property owned by a Housing Association that wish to move to a smaller property owned by Dacorum Borough Council).

## **Eligibility**

A tenant will be eligible for this scheme if they are an introductory, secure or flexible tenant of Dacorum Borough Council occupying a two, three, four, five or six bedroom property and would like to move to a smaller property owned by the Council or a Housing Association in the Borough. (NB if moving to a two-bedroom property from a three for example, only one bedroom is regarded as being released under this scheme).

A tenant will not be eligible if there is a Notice of Seeking Possession for breach of tenancy conditions currently in force. (With the exception of rent arrears where assistance can be provided under the scheme, provided the rent arrear does not exceed the amount of allowance that they are eligible for under the Scheme).

The Council will waive the requirement for the tenant to keep a clear rent account for three months, if it can be shown that a move to smaller accommodation will be beneficial to the tenant's financial circumstances. If the tenant has rent arrears, the allowance provided under the Scheme can be used to clear the debt after the move has taken place. Any balance will be paid to the tenant after the debt has been cleared.

In exceptional circumstances a move can also be considered if the debt exceeds the allowance provided under the Scheme. For example: If the tenant has Mental Health problems, deemed to be vulnerable due to a medical condition or learning difficulty etc. These cases will need to have independent support and will be assessed by the Council's Medical Advisor in conjunction with the Housing Panel. This would also be conditional on a firm arrangement being made with the tenant to clear the rent arrears after the move has taken place.

### **Terms of the scheme**

This scheme is available to all introductory, secure or flexible tenants of Dacorum Borough Council transferring to more suitable accommodation, from 2, 3, 4, 5, 6 bedroom dwellings (flats, maisonettes, bungalows and houses).

The Council knows that many tenants would like to move to smaller, more suitable accommodation, but are put off doing so by the thought of all the upheaval and the cost of moving.

In order to help tenants who do wish to move from 2, 3, 4, 5, 6 bedroom properties to smaller accommodation owned by Dacorum Borough Council, the Council will FREE OF CHARGE:-

(Households who wish to move from a Dacorum Borough Council owned home into a Housing Association home and are giving up 'spare' bedrooms will benefit from this incentive scheme).

- 1) Arrange and pay for your furniture to be packed and moved.
- 2) Take up and relay your carpets. For tenants moving into sheltered housing carpets will be fitted in your new home.
- 3) Arrange for your cooker to be disconnected and to be refitted at your new home (if this is not possible a new electric cooker will be provided for tenants moving into sheltered housing).

4) Arrange and pay for relocation of your washing machine.

5) Pay for your telephone to be transferred.

The Council will also make you a one off payment once your transfer has completed, the amount payable is in accordance with the following scale:

Giving up 3 or more bedrooms - £2000.00

Giving up 2 bedrooms - £1000.00

Giving up 1 bedroom - £500.00

One payment will be made for each move and per household

To be considered for this scheme, you will need to be registered for a transfer and have enough points on our transfer list to qualify for a move to smaller accommodation.

If any tenant wishes to discuss their prospects for a transfer please ask them in the first instance to contact the Customer Service Unit or the Housing Options section at the Civic Centre.