

CAB2473(HSG)  
FOR DECISION  
WARD(S): ALL WARDS

CABINET (HOUSING) COMMITTEE

27 March 2013

STRATEGY TO INCENTIVISE DOWNSIZING FOR COUNCIL TENANTS

REPORT OF HEAD OF HOUSING SERVICES

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RECENT REFERENCES:

CAB2390 (HSG) – Implications of Welfare Reform for Council Tenants

CAB2321 (HSG) – Review of Disabled Adaptations Policy

EXECUTIVE SUMMARY:

Downsizing increases the efficiency of lettings and provides family homes at relatively low cost. However, the current rate of downsizing in the Council's housing stock is very low.

Impending changes to Housing Benefit may increase the number of people wishing to downsize, although some tenants will need financial support to do so. Older people sometimes wish to down-size where their own home no longer meets their needs but they may lack vital support.

A review of national good practice indicated that a comprehensive downsizing scheme where tenants have access to both practical and financial support to move would increase the rate of downsizing.

This report recommends a flexible policy where tenants who downsize by at least one bedroom will receive £1,000 to incentivise and enable their move. They may take this as a lump sum or spend it on services of their choice to facilitate their move.

Tenants will benefit from a bespoke practical and financial support package and the inherent flexibility of the offer will generate wide feedback on the needs and wishes of potential 'downsizers' and enable effective evaluation and improvement of the approach in years to come.

**RECOMMENDATIONS:**

- 1) That the proposal for an enhanced strategy to incentivise downsizing as detailed in paragraphs 4 – 8 be approved.
- 2) That Members note suggested future steps in paragraph 9 of the Report

## CABINET (HOUSING) COMMITTEE

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### STRATEGY TO INCENTIVISE DOWNSIZING FOR COUNCIL TENANTS

#### REPORT OF HEAD OF HOUSING SERVICES

#### 1 Introduction

- 1.1 In England, a household is deemed to be under-occupying their property if they have more rooms than they require by the bedroom standard. The bedroom standard expects no pair of occupants to share a bedroom unless they are a couple, two children under 16 of the same sex or two children under 10 of either sex.
- 1.2 Census 2001<sup>1</sup> reported that the average proportion of stock, 'under-occupied', across local authorities in England was 50%. Since the number of homes under-occupied vastly exceeds the number of homes over-crowded, incentivising downsizes is a priority for the Government, to make more efficient use of housing stock.
- 1.3 The City Council's housing stock is no exception to the national norm with Census 2001 indicating that 51% of stock is under-occupied and 9% is over-crowded. (This compares to 82% of homes under-occupied and 4% over-crowded across the district as a whole). The council offers £500 to tenants downsizing from general needs accommodation into Shelter accommodation but this has had little effect on the number of downsizes.
- 1.4 This may be because under-occupation is rarely a problem for the tenant except where the property has become hard to manage, perhaps due to cost of fuel bills or difficulty in upkeep. In addition, emotional ties to a house, anticipation of the work required to move house and the cost of moving affects motivation to move.
- 1.5 The strategy to incentivise downsizing needs to be reviewed to have a greater impact on the number of downsizes. This report proposes a new strategy to incentivise downsizing effective as of April 2013.

#### 2 Changes to Housing Benefit

- 2.1 The Social Sector Size Criteria, which is to be implemented to Housing Benefit from 1<sup>st</sup> April 2013 may increase the number of people wanting to downsize. Under the new criteria, tenants who are under-occupying by 1 bedroom will no longer be entitled to Housing Benefit for 14% of their rent. Where their entitlement to housing benefit was previously

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<sup>1</sup> At the time of writing Census 2011 data isn't available

calculated on the full amount (100%) of their weekly rent (excluding some small service charges), it will now be calculated on the basis of 86% of their rent. Tenants who are under-occupying by 2 bedrooms will have their entitlement to Housing Benefit calculated on the basis of 75% of their weekly rent.

- 2.2 Approximately 300 of Winchester City Council's tenants are affected by these changes. Their loss of weekly income (based on the Council's 48 week payment terms) is summarised below.

Loss of weekly income	Number of tenants
Less than £5	29
£5 - £10	30
£10 – £15	123
£15 - £20	77
£20 - £25	3
£25 - £30	25
£30 - £35	1

- 2.3 Such loss of income is likely to have a significant impact on the wellbeing of some tenants and it is likely that rent arrears will increase as a result of this specific change.
- 2.4 Due to the number of tenants affected by these changes, it is probable that there will be some 'high profile' cases, highlighted by members or the media of people who can't afford to stay in their homes but who can't afford to move. It is vital that the Council is ready to respond to such cases.

### 3 Rationale

- 3.1 A new strategy to incentivise downsizing is recommended to achieve the following aims :
- a) Increased efficiency in letting of council stock.
  - b) To promote and enable downsizing to a more manageable home before upkeep of the home becomes problematic.
  - c) Protect the well-being of tenants by incentivising those affected by Housing Benefit Changes to down-size before mounting rent arrears cause them to downsize or worse, cause homelessness.
  - d) Guard against the detrimental affect of arrears to the service provision.
  - e) Enable downsizing among those who wish to move to resolve financial hardship but are prevented from doing so by the cost of moving expenses.
  - f) More efficient use of budget for disabled adaptations; if tenants down-size earlier in life, tenants are more likely to have down-

sized before adaptations are needed to their property and less likely to leave a property recently adapted for their needs.

#### 4 Strategy to Incentivise Downsizing

- 4.1 A review of existing practise, including some award winning schemes, indicated that the most effective downsizing schemes include a monetary incentive, the potential to remove a wide range of barriers to moving and an offer of help to find a new home to bid for/swap to. Even the most successful scheme only moved less than 1% of households as a result of the scheme over the last year (this would mean less than 50 moves for a successful scheme in Winchester). It is recommended therefore that Winchester seeks to emulate this approach, providing a comprehensive 'support to move' package. It should be noted however that this predates welfare reform and the potential for increased demand on the scheme, at least in the short term, is very significant.
- 4.2 It is suggested that this package will be referred to as 'Wise Move', for ease of communication.
- 4.3 To make efficient use of resources, a key feature of Wise Move will be flexibility so that the tenant can direct available resources in a way that would be most useful to them and officers can provide the support that they perceive most crucial to a successful move.
- 4.4 A further key feature will be 'choice' for moving house can contribute to the well-being of a tenant where it is an informed choice and the tenant remains in control.
- 4.5 It is proposed that tenants are offered £1000 to spend on services to support their move. They may choose a bespoke package from the below, which may be organised by housing officers. This list is not exhaustive; Tenants and officers may propose alternatives.
- a) Removals, Packing & Unpacking
  - b) New Furniture, Furnishings & Carpets (as appropriate)
  - c) Decoration of new property
  - d) Re-connection of cooker and washing machine.
  - e) Handyman help.
  - f) Support organising re-direction of post, change of address notifications, dealing with utilities companies and registering with local services in new community.
  - g) The Lifeline Service
- 4.6 Officers may also support tenants through the following means:
- a) Training on use of Hampshire Home Choice and Home Swapper.
  - b) Support to arrange a mutual exchange.

- c) Home visits with portable internet browsers to enable people to view and bid for properties
  - d) Support to find a property out of the area.
  - e) Accompanying tenants to viewings of properties, discussing best use of their £1000.
  - f) Support choosing what furniture to keep and what to dispose of.
  - g) Alerts for tenants when there are properties available, which they may like to bid for/swap to.
- 4.7 Research has not resolved whether a monetary incentive contributes to the success of a down-sizing scheme because it enables moving through financial resources or because the money is valued in and of itself. For this reason, tenants will receive the remainder of their £1000, if not spent on services, which may be the full amount if no services are procured.
- 4.8 Officers will prioritise their workload by working with those who have secured a new tenancy in the first instance. Effort towards helping tenants find their new tenancy will prioritise the following groups:
- a) Those affected by housing benefit changes, additionally prioritised by the loss of income they are sustaining and/or impact of arrears on the service.
  - b) Those currently occupying 5/4 bedroom properties as their release could result in up to a further 4 households moving into more suitable properties.
  - c) Tenants who have an assessed support need.
  - d) Tenants in need of disabled adaptations who prefer to move before their property is adapted
- 4.9 To enhance the likelihood of a move, all those in under-occupied properties, registered for a transfer on HHC will be offered support to place an advert for their home on Home Swapper. Officers will also seek permission to register all those in over-crowded properties on Home Swapper to increase the number of available properties to swap to.
- 5 Eligibility
- 5.1 Any tenant who downsizes by at least one bedroom, within the social housing sector will be eligible for this support.
- 5.2 It is not proposed to offer the incentive for downsizing to residents moving to the private rented sector, although this could be considered for inclusion at a later date.
- 6 Funding and Resourcing

- 6.1 The monetary incentive is set at £1000 is to ensure that a significant proportion of moving costs is made provision for but is capped at £1000, due to the number of people who may wish to downsize in the coming year as a result of the Social Sector Size Criteria. In future years, it is recognised that this figure may need to increase to cover more moving costs and to incentivise more tenants to downsize.
- 6.2 Members need to be aware that although it is not expected that every tenant affected by the Social Sector Size Criteria will move to mitigate the loss in income, there will be many tenants for whom it would be a sensible option. A provisional sum of £100,000 has been included within the HRA budget for 2013/14 specifically to fund the incentive programme. Should the incentive be popular, consideration may need to be given at a future date to further resources for the scheme.
- 6.3 The scheme will clearly have a direct impact on officer time and initially will be coordinated by the existing graduate placements working with the Council as part of developing their “front line” experience. The management and administration in the longer term will be considered as part of the post implementation review, although it is anticipated that this work be delivered by supported housing officers within the Council’s Housing Management team.

## 7 Publicity

- 7.1 All tenants will be informed of the introduction of Wise Move but further publicity will be targeted initially at those affected by the Social Sector Size Criteria.

## 8 Monitoring Success, Evaluating and Improving the Strategy

- 8.1 Officers will take a ‘case worker’ approach to each tenant they make contact with. They will make notes on expressed interests and tenant choices, which will be used to inform publicity efforts and refine policy as appropriate.
- 8.2 A report detailing the outcome of the initial months will be brought to Housing Cabinet in September 2013.

## 9 Future Steps

- 9.1 Whilst the proposals in this report take account of the schemes nationally identified as best practice, procedures, marketing and officer time will initially be focussing on those tenants affected by size criteria changes. However, once the scheme has been subject to post implementation review, future steps that officers and members may wish to consider include:

- a) Prepare a marketing strategy to capitalise on the opportunity to move to new-build properties as a further incentive to downsize. Planned work to update tenancy records will aid targeting under-occupiers with this publicity material.
- b) Review the extension of Wise Move to tenants who wish to downsize to the private rented sector.
- c) Work with Hampshire Home Choice partners to consider whether joint-working would enhance the outcome of the strategy.

## OTHER CONSIDERATIONS

### 10 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 10.1 The proposals for an Incentives programme to encourage downsizing is included within the Change Plan for 2013/14 and contributes to the outcome 'Active Communities' in the Community Strategy by supporting local people to access affordable housing which meets their needs.
- 10.2 It also contributes to the priority of 'Wellbeing of Older People', helping older people to make informed choices about housing, enabling downsizing to a more suitably sized home and offering valuable practical and emotional support throughout the process of moving.

### 11 RESOURCE IMPLICATIONS

- 11.1 This is covered in section 6 above.

### 12 RISK MANAGEMENT ISSUES

- 12.1 Risks associated with this scheme have been considered although assessment will need to continue throughout the early life of the scheme. Whether the payment is sufficient to incentive downsizing remains to be seen, although with the number of tenants looking to reduce numbers of bedrooms in their properties expected to increase, another risk is that HRA resource is being paid to support moves which would have happened anyway.
- 12.2 A key risk which is highlighted above is one of capacity to deliver a scheme if it proves successful. Whilst short term arrangements are in place, this needs to be kept under review and longer term proposals will be reported later in the year.

### 13 TACT COMMENT

- 13.1 TACT has long argued for measures to encourage under occupiers to downsize to free up family housing. These proposals are really positive and TACT supports the initiative.

- 13.2 Proposals to apply the incentive flexibly to meet the needs of the individual and to support tenants through such a difficult and stressful process are particularly welcomed.

BACKGROUND PAPERS

None

APPENDICES

None