

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 15 April 2013

Portfolio:	Health and Housing
Subject:	Revised Council Housing Transfer Incentive Scheme
Report of:	Director of Community
Strategy/Policy:	Housing Strategy
Corporate Objective:	A Balanced Housing Market

Purpose:

To amend the eligibility criteria for incentive payments offered to tenants who are looking to transfer to smaller accommodation.

Executive summary:

The report proposes changes to the eligibility criteria for incentive payments offered to tenants who are prepared to transfer to smaller accommodation which better meets their housing needs.

The proposals were considered by the Health and Housing Policy Development and Review Panel on 14 March 2013 and are recommended for approval.

Recommendation:

That the Executive agree

- (a) to restrict eligibility to council tenants of non working age who are living in family sized housing accommodation; and
- (b) to make a contribution toward removal costs of up to £500 for working age tenants where they move to smaller accommodation.

Reason:

At present all tenants that transfer to smaller accommodation qualify for an incentive payment. Arising from changes in welfare reform from April 2013 there is likely to be an increase in the number of working age tenants applying for a transfer to smaller accommodation to avoid a reduction in housing benefit. Current funding will not meet the increased demand prompting a review of the eligibility criteria.

Cost of proposals:

A budget of £20,000 has been set aside in 2013/14 to help fund incentive payments to tenants who transfer to smaller accommodation. It is believed to be sufficient to meet demand. However this will be reviewed later in 2013/14 as part of the budget monitoring process.

Background papers: None

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Executive Briefing Paper

Date: 15 April 2013

Subject: Revised Council Housing Transfer Incentive Scheme

Briefing by: Director of Community

Portfolio: Health and Housing

INTRODUCTION

1. The current Transfer Grant Scheme enables both Council tenants and some Registered Social Landlord tenants moving from family-sized accommodation (2 bedroom or larger) to smaller accommodation to receive an incentive payment and in some cases a contribution toward removal and disconnection/reconnection costs.
2. The current Scheme was last reviewed and updated in 2008.
3. Historically the sum of £15,000 per annum has been set aside from housing revenue account budgets to help fund under-occupation transfers.
4. Under the current scheme the following incentive payments are offered to tenants:

Accommodation Move	Incentive Payment Available
4 Bed to 3 Bed	£1250
4 Bed to 2 Bed	£1750 plus removal expenses (up to max of £500) plus reconnection fees (up to max of £100)
4 Bed to 1 Bed	£2250 plus removal expenses (up to max of £500) plus reconnection fees (up to max of £100)
3 Bed to 2 Bed	£1250
3 Bed to 1 Bed	£1750 plus removal expenses (up to max of £500) plus reconnection fees (up to max of £100)
2 Bed to 1 Bed	£1250

5. The Council is not proposing any change to the current level of incentive payments.
6. As part of the welfare reform changes from April 2013 tenants of working age that are under-occupying their home and in receipt of housing benefit will see a reduction in entitlement of 14% if they are under-occupying by one bedroom and 25% if they are under-occupying by two or more bedrooms. The Housing Benefit Team has indicated that approximately 122 council tenants of working age will have their benefit reduced from April.
7. As a result of the reduction in Housing Benefit it is likely that this will result in an increase in the number of tenants looking to move to smaller accommodation. These tenants will be awarded greater priority under the Council's nomination policy to move to accommodation more suited to their needs. Under the current criteria these tenants qualify for incentive payments

PROPOSAL

8. As incentive payments are funded from the Housing Revenue Account it is proposed to restrict eligibility to qualifying tenants of Fareham Borough Council.
9. Also, it is proposed to restrict eligibility to those that are under-occupying their home and of non working age (65 and above).
10. In recognition of the fact that a number of working age tenants on low incomes will be forced to downsize, the Council may wish to consider awarding a payment of up to £500 toward the cost of moving regardless of what size accommodation they are moving from and to.
11. It is proposed to carry out a further review of the transfer grant scheme for under-occupiers in 2013/14.

RISK ASSESSMENT

12. There is a significant risk that without a change to current eligibility criteria for incentive payments that the Council will be paying significant sums of money to working age tenants.

CONSULTATIONS

13. The proposals for changing the Transfer Grant Scheme were considered by the Health and Housing Policy and Development Review Panel on 14 March 2013 and are supported by the Panel.

CONCLUSION

14. This report has outlined the need to review the current eligibility criteria in regard to the Council's Transfer Grant Scheme under which incentive payments are offered to tenants that are under-occupying their home who move to smaller accommodation.

Reference Papers: Report on Review of Transfer Grant Scheme - Health and Housing Policy Development Review Panel 14 March 2013