



## **Report to Health and Housing PDR Panel**

Date: **14 March 2013**

Report of: **Director of Community**

Subject: **REVIEW OF TRANSFER GRANT SCHEME**

### **SUMMARY**

This report outlines proposals to change the qualifying criteria for awarding incentive payments to tenants who are under-occupying their home and move to smaller accommodation that better meets their housing needs.

### **RECOMMENDATION**

That the Panel recommends to the Council's Executive that the proposed changes to the criteria for the Transfer Grant Scheme be approved.

## 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 a lump sum 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:

<b>Accommodation Move</b>	<b>Incentive Payment Available</b>
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. Housing Benefits have indicated that 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. Under the current criteria these tenants qualify for incentive payments. In addition these tenants will be awarded greater priority under the Council's revised nomination policy to move to accommodation more suited to their needs.

## PROPOSED CHANGES TO THE ELIGIBILITY CRITERIA

8. In terms of council tenants it is proposed to restrict eligibility to those that are under-occupying their home and of non working age (65 and above).

9. 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.
10. As incentive payments are funded from the Housing Revenue Account it is proposed to restrict eligibility to qualifying tenants of Fareham Borough Council.
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.

### **CONCLUSION**

13. 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.

**Background Papers:** None

**Reference Papers:** Review of Transfer Grant Scheme - Report to Housing Tenancy Board 20 March 2008

### **Enquiries:**

For further information on this report please contact Jon Shore. (Ext 4540)