

FAREHAM

BOROUGH COUNCIL

Report to Housing Scrutiny Panel

Date 27 June 2024

Report of: Director of Housing

Subject: Fareham Borough Council Housing Transfer Incentive Scheme

SUMMARY

The report outlines a proposal to develop a new Housing Transfer Incentive Scheme, which currently offers Fareham Housing tenants who are prepared to release larger family-sized homes and downsize, a payment toward the costs of moving and making a new home.

The current scheme has not been revised since 2013, and the objective of increasing the numbers of tenants (non-working age/those aged 65 and over) releasing large family homes and downsizing, has not been realised.

With obligations under the new Consumer Standards set by the Regulator of Social Housing (RoSH), and with several new housing developments coming online, there is likely to increase demand in future years.

RECOMMENDATION

Members are invited to consider the contents of the report and provide any comments or observations. The Panel is also asked to agree for further work to be undertaken in order to inform the development of a new policy.

BACKGROUND

1. The 'Housing Transfer Incentive Scheme' has been in place, in its current form, since 2013 after being agreed at the 15 April 2013 Executive Meeting. The scheme provides a financial incentive to those Fareham Housing tenants who wish to release family-sized accommodation and transfer to a smaller property, better suited to their needs.
2. Payments are intended to encourage tenants to downsize by covering some of the costs involved with moving home, and toward the costs of setting up a new home.
3. The previous eligibility criteria were tightened in 2013 to those of non-working age. This was due to changes introduced by the Welfare Reform Act 2013 regarding under-occupancy and the anticipated impact that this would have on the numbers of those wishing to transfer.
4. It was predicted that many of those impacted by the changes would, effectively, have no choice but to move. It was felt that this negated the need to further incentivise those of working-age, and that the costs of doing so would become prohibitive. Attention was therefore focused on those aged 65 and over.
5. The current incentive payments available are as follows:

Accommodation Move	Incentive payment available	Removal costs	Reconnection fees
4 bedrooms to 1 bedroom	£2250	£500	£100
4 bedrooms to 2 bedrooms	£1750	£500	£100
4 bedrooms to 3 bedrooms	£1250	-	-
3 bedrooms to 1 bedroom	£1750	£500	£100
3 Bedroom to 2 bedroom	£1250	-	-
2 bedrooms to 1 bedroom	£1250	-	-

6. The predicted impact did not occur. We have not seen any substantial movement in the numbers of non-working age tenants wishing to move, while demand from those tenants currently excluded from the scheme remains significant.
7. Over the last decade, it has become clear that the reasons for wishing to downsize are multi-faceted, and the population the policy sought to target are traditionally less likely to want to move, having often lived in their homes for longer. Demand is continuing to come from those of working age.
8. One factor that does appear to have an impact, are new developments, such as Assheton Court. This is likely to provide a significant opportunity to incentivise a number of Fareham Housing tenants to downsize and release either a large family home or adapted property.

OBJECTIVE

9. The primary objective is to assist the Neighbourhood Officers in releasing more family-sized homes, by encouraging those who occupy such properties but no longer need them to downsize into something more suitable for their needs.
10. It is also intended to increase the number of adapted properties that are available. Changes to the policy could encourage those living in previously adapted properties but who do not need the adaptations, to move to more suitable accommodation.
11. As well as freeing up larger or adapted homes, reducing under-occupancy and the associated impact to income for some, it is hoped that an incentive will further reinforce the efforts of the Neighbourhood Officers to bring down levels of rent arrears.
12. These efforts will also further support our compliance with the new Consumer Standards, set out by the Regulator of Social Housing, especially around promoting services to enable transfers, increasing access to adapted properties and reducing eviction rates.
13. A further objective in increasing the number of family homes is to decrease the amount of time families wait in temporary accommodation. Despite positive progress in this area over recent years, it is still the case that those waiting longest in temporary accommodation are large families and/or those in need of adapted properties.
14. It is important to note that, while the objective is to encourage as many people as possible to downsize and/or move to more suitable accommodation, no one will be forced to do so.

ANALYSIS

15. It is difficult to be precise about the need for incentives due to the data not traditionally been collected in previous years of the scheme. While this is changing, there are several indicators that we can identify to support the need for the development of a new policy.
16. While we are unable to obtain the figures for those on Universal Credit, we do know that of those claiming Housing Benefit, 36 tenants are subject to the spare room subsidy, losing between £15 and £34 per week from their housing allowance. These are working aged people who are under occupying their homes.
17. We are unable to determine the numbers under occupying that are claiming Universal Credit, and those over the age of 65 are not subject to the spare room subsidy and so are also not included in these figures, meaning the true figure for those under occupying is likely to be far higher.
18. We are clearer on the numbers needing larger accommodation. There are currently 65 households on the Housing Register that are waiting for larger accommodation, 58 of whom are overcrowded and 49 of whom require a three- or four-bedroom property. None are of non-working age.
19. Just under a quarter of these households have waited for a little under three years in overcrowded or otherwise unsuitable accommodation. Two households have waited nearly nine years.

20. Of those currently under occupying and that we can identify, 17 are under occupying a three- or four-bedroom property by at least one bedroom. If they could be incentivised to move, this could potentially remove all of those that have waited for around three years for alternative accommodation.

PROPOSAL

21. It is proposed to consider opening up the eligibility criteria so that all Fareham Borough Council secure/flexible tenants are eligible to take part in the scheme.

22. In recognition of the work already being done by Fareham Housing to better utilise adapted properties, it is further proposed that those living in an adapted home, where they no longer need the adaptations, are also eligible to take part.

23. It is proposed to monitor demand to inform a further review of the Incentive Scheme and ensure the scheme will have the desired effect of freeing up more family-sized and adapted homes. The scheme will then be monitored annually to ensure that it continues to meet its objectives.

24. Currently, eligible tenants are made aware of the scheme as part of ongoing discussions with their Neighbourhood Officer as to how best to manage their tenancy. Any improvements to this would be considered as part of any review. Changes to how we publicise the scheme will also be considered.

25. There is no proposal to alter the amounts given as incentives, as these are broadly in line with similar schemes, or to expand eligibility to those other than a qualifying Fareham Housing tenant.

BUDGET

26. There will be implications for the budget if more people are encouraged to use the scheme. The requirements under the Consumer Standards to greater publicise the services we offer, particularly around transfers and mutual exchanges are also likely to increase use of the scheme.

27. However, the budget allocation between 2014 and 2022/23 was £20,000 per annum before being reduced to £15,000 in 2023/24. It was never exceeded during this time and is consistent with historical trends. Given the numbers of potentially eligible tenants we have currently, there is no expectation that this will change in the next couple of years, although the proportion of the budget spent is expected to rise.

28. As indicated in 8 above, one factor that may well impact the budget in future are new developments coming online, in particular, those such as Assheton Court. We know from experience with Sylvan and Collingwood Courts that these developments generate a lot of interest, and an incentive payment can encourage tenants to downsize.

29. As Assheton Court is by far the largest development of this kind that Fareham Borough Council has undertaken, it presents a substantial opportunity for the Neighbourhood Officers to encourage more of those who may already be considering downsizing to do so.

30. However, due to the low use of the incentive scheme over previous years, the budget was reduced last year. This may need to be considered for review should the scheme prove increasingly successful, and in 2026 a potentially higher revised HRA revenue budget amount will be informed by the number of Fareham Housing tenants wishing to downsize as part of a move to the new Assheton Court.

DISCRETION

31. In order to best utilise the opportunities presented and to meet the objective of freeing up more family homes, it is proposed that the Neighbourhood Manager (or alternative member of the Housing Management Team), in conjunction with the Council's Finance Team, has the discretion to make payments to those outside of the current scheme.

32. It is understood that this would be in exceptional circumstances or to facilitate the advantage of any opportunities provided by future developments.

NEXT STEPS

33. It is proposed that further work be undertaken to fully develop a new policy that will enable us to better meet our objectives, at which point it would come back to the Panel for further comments or observations.

34. The draft policy would then go before the Executive and approval sought for a public consultation, carried out in accordance with the Tenant Engagement Strategy.

35. Once the consultation period has concluded, any necessary adjustments will be made to the policy before it being returned to the Executive for approval.

CONCLUSION

36. The Housing Transfer Incentive Scheme is but one tool in a number available to achieve the objectives outlined above. However, it has the potential to be more effective at freeing up both larger family homes and adapted properties than it currently achieves.

37. This report outlines the current Housing Transfer Incentive Scheme, the difficulties it has in achieving our objectives and outlines the proposed changes. The Panel is invited to make any comments or observations that will be used in the development of a future policy and noted in the report to any subsequent Executive meeting.

Appendices: None

Background Papers: None

Reference Papers: 15 April 2013 Executive Report – Revised Council Housing Transfer Scheme

Enquiries:

For further information on this report please contact Jon Goddard 01329 824375