



## Democratic Services

**Location:** Phase II  
**Ext:** 0692  
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**Ref:** CMD 165

**To: COUNCILLOR EDDIE LAVERY  
CABINET MEMBER FOR ENVIRONMENT,  
HOUSING AND REGENERATION**

c.c. All Members of Executive Scrutiny Committee  
c.c. Chairman of the Environment, Housing &  
Regeneration Select Committee  
c.c. Perry Scott, Corporate Director of Infrastructure,  
Transport & Building Services  
c.c. Rod Smith, Tenancy Services  
c.c. Conservative and Labour Group Offices  
(inspection copy)

**Date:** 07 June 2021

**Non-Key Decision request**

**Form D**

### COUNCIL HOUSING HOME RELEASE REWARD SCHEME

Dear Cabinet Member

Attached is a report requesting that a decision be made by you as an individual Cabinet Member. Democratic Services confirm that this is not a key decision, as such the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 notice period does not apply.

You should take a decision **on or after Tuesday 15 June 2021** in order to meet Constitutional requirements about publication of decisions that are to be made. You may wish to discuss the report with the Corporate Director before it is made. Please indicate your decision on the duplicate memo supplied, and return it to me when you have made your decision. I will then arrange for the formal notice of decision to be published.

Neil Fraser  
Democratic Services Officer

**Title of Report:** COUNCIL HOUSING HOME RELEASE REWARD SCHEME

**Decision made:**

**Reasons for your decision:** (e.g. as stated in report)

**Alternatives considered and rejected:** (e.g. as stated in report)

Signed .....Date.....

*Cabinet Member for Environment, Housing and Regeneration*

## COUNCIL HOUSING HOME RELEASE REWARD SCHEME

<b>Cabinet Member(s)</b>	Cllr Eddie Lavery
<b>Cabinet Portfolio(s)</b>	Cabinet Member, Environment, Housing and Regeneration
<b>Officer Contact(s)</b>	Rod Smith, Tenancy Services
<b>Papers with report</b>	None

### HEADLINES

<b>Summary</b>	This report presents a proposal to the Cabinet Member for Environment, Housing & Regeneration to make changes to the Council Housing Home Release Reward Scheme, specifically to increase the maximum financial incentive offered to current Council tenants to relinquish their existing family sized accommodation and move to a smaller property. The proposed changes to the package of measures to encourage and support under-occupying Council tenants to move to smaller, suitable sized accommodation will ensure best use of Council resources and is in line with expectations set by the Regulator of Social Housing to make best use of available accommodation.
<b>Putting our Residents First</b>	<p>This report supports the following Council objectives of: <i>Our People; Our Built Environment; Strong financial management.</i></p> <p>The proposal set out in the report supports the delivery of the Housing Strategy.</p>
<b>Financial Cost</b>	The downsizing incentives increase is to be funded from within the existing annual HRA Home Release Reward Scheme Budget of £100k. Any pressures above this will be considered as part of the HRA MTFF process as the incentives will be reviewed on an annual basis.
<b>Relevant Select Committee</b>	Environment, Housing and Regeneration
<b>Relevant Ward(s)</b>	All

## RECOMMENDATIONS

**That the Cabinet Member approves the updated Home Release Reward Scheme as set out in this report which increases the incentives available to Council tenants moving to smaller bedroom sized Council accommodation.**

### **Reasons for recommendation**

Payments under the 'Home Release Reward Scheme' were last reviewed and increased in April 2015. There are now several drivers which would suggest that it is both timely and appropriate to review the current level of incentives. Financial incentives are designed to address a range of practical barriers which can present in relation to tenants wishing to transfer and seeks to encourage more tenants to move to smaller accommodation. The clear objective of the Home Release Reward Scheme is to increase the supply of family sized affordable accommodation available for eligible residents in the Borough.

### **Alternative options considered / risk management**

To not consider increasing the offer within the Home Release Reward Scheme is likely to lead to lower levels of under occupying Council tenants moving to smaller accommodation.

### **Democratic compliance / previous authority**

The decision can be made under the Cabinet Member's delegations.

### **Select Committee comments**

None at this stage.

## SUPPORTING INFORMATION

1. Supporting under-occupiers to move into smaller accommodation is part of the overall strategy to increase the supply of social housing and reduce the number of households in expensive forms of temporary accommodation, where they have 10 or more years residency. The Regulator of Social Housing, as set out in the Tenancy Standard, expects registered providers of social housing to develop and deliver services to address under-occupation within the resources available to them.
2. Tenants choose to downsize to a smaller home for a variety of reasons. Some reasons relate to 'pull factors' i.e. the attractiveness of a smaller, easier to manage and cheaper to run home with lower outgoings whilst other reasons relate to 'push factors' including those tenants who are struggling to pay their rent and or have multiple debt issues and are facing formal rent arrears recovery action which puts their home at risk.
3. Under the current Social Housing Allocation Policy, priority is given to households wishing to downsize. Households giving up two or more bedrooms are awarded Band A. Households releasing one bedroom are awarded Band B. There are proposals being

progressed separately to prioritise under occupying tenants for a move to smaller accommodation.

4. The Council has used a tailored approach to identify and address barriers to downsizing. This does not rely upon a simple monetary payment to encourage tenants to move but the provision of support packages to unblock barriers to downsizing, particularly in the context of older and vulnerable households. Barriers can fall within the scope of; financial, property and support related issues. Financial barriers typically include arrears of rent which prevent verification under the Social Housing Allocation Policy or simply insufficient funds to move and set up a new home. Property related barriers typically include poor property condition, including hoarding. Support related barriers typically include vulnerable households who, without practical support and encouragement, would be unable to contemplate a move under any circumstances.
5. In addition to the work of the Tenancy Management Officers, a dedicated Under-Occupation Case Officer works within the Lettings Team to identify suitable downsizing cases, identify suitable properties for them to move to and provide 'one on one' tailored support. We know this bespoke service is valued by tenants. The greater the monetary value of the downsizing payment, the greater the flexibility available to staff to overcome the presenting barriers and enable to the tenant to still benefit from a payment to 'set up' their new home.
6. Spare room subsidy (also known as Bedroom Tax or under occupancy charge) means that Council tenants will receive less in Housing Benefit or Housing Costs Element in a Universal Credit claim if they are deemed to have one or more spare bedrooms. Whilst this negatively impacts financially on applicable households, it is important to note that pensioner households are not adversely affected. In this context, unlike non-pensioner under occupiers claiming benefit, there is no financial 'push factor'.
7. Figure 1 below sets out the level of downsizing successes over the last 5 years to date, including the number of bedrooms released as part of each downsizing move and the total spend.
8. There are currently 302 Council tenant households claiming Housing Benefit who are affected by the spare room subsidy. These households clearly outnumber those registered for smaller accommodation as set out in figure 2 and 3 below:

**Figure 1 – Properties released by downsizing 2016/17 to date**

Year/Property Size	2 Bedroom	3 bedroom	4 bedroom	5 bedroom	6 bedroom	Annual total	Total Spend £000's
2016/17	12	16				28	62
2017/18	10	10	3	1		24	72
2018/19	21	18	2			41	87
2019/20	15	20	1	1		37	80
2020/21	7	10	3		1	21	56
<b>Grand Total</b>	<b>65</b>	<b>74</b>	<b>9</b>	<b>2</b>	<b>1</b>	<b>151</b>	<b>357</b>

9. There are currently 174 tenants registered who have expressed a wish to downsize to smaller accommodation. The current accommodation occupied by these tenants and the bedsize need is set out in the tables below.

**Figure 2 – Current bedsize of under occupying council tenants**

Band/Current Bedrooms	2	3	4	5	6	Grand Total
A	46	65	13	1	2	127
B	31	14	2			47
<b>Grand Total</b>	<b>77</b>	<b>79</b>	<b>15</b>	<b>1</b>	<b>2</b>	<b>174</b>

**Figure 3 – Bedsize required of under occupying council tenants**

Band/Bedroom Need	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Grand Total
A	80	41	4	2	127
B	35	10	2		47
<b>Grand Total</b>	<b>115</b>	<b>51</b>	<b>6</b>	<b>2</b>	<b>174</b>

10. It is clear from tables 2 and 3 above that there is considerable scope to release larger family sized accommodation. These registered downsizers are in the process of being contacted to better understand their downsizing requirements and to establish any presenting barriers. Once needs have been established Officers can communicate any potential change in the Home Release Reward Scheme and start to formulate tailored support plans and potentially match households to current and forthcoming void properties.

### **Feedback from under-occupiers on property and support requirements**

11. The Under-Occupation Officer is in regular and ongoing contact with a large number of under-occupiers as part of the case-work management approach to encouraging under-occupiers to register for a move and in terms of facilitating moves. In this context the officer has identified a number of themes and more recently has made contact with 25 under-occupiers in relation to property and support requirements. The overriding feedback is that larger financial incentives would 'unblock' a range of presenting issues but other themes are reflected below.
12. Decorative state is an issue raised with almost every older person who is downsizing. Downsizing tenants do not wish to cover the cost of redecoration from their downsizing incentive payment. This is particularly the case where tenants are only releasing one bedroom and are therefore currently receiving £1,500. Added to this, internal redecoration is frequently beyond the physical capability of some downsizers.
13. Many downsizers are moving from family sized accommodation with gardens. The provision of a private garden, albeit smaller than their existing garden, is frequently an issue which downsizers are not willing to compromise on. Linked to Covid-19 the profile of this issue has increased over the last 12 months and more than ever tenants are seeking their own private outside space and are less likely to want to share outside space with other residents. Added to this, older tenants either have pets [necessitating private gardens under conditions of tenancy] or grandchildren who require secure outside space to play when visiting.

14. Many older downsizers are potentially releasing larger family sized properties which they have lived in for many years and often raised their own family in the property. They are unlikely to have lived in a flat or maisonette themselves and do not like the thought of having other residents living above them. This is a conundrum in that older people would not wish to move into an upper floor flat without the benefit of lift access. Such facilities are limited outside of sheltered housing and tower block accommodation. A high proportion of older tenants who want to downsize to a 1-bedroom property would not therefore consider a flat and therefore the presenting option would be a 1-bedroom bungalow. Downsizers frequently just fall below the 60 years or over age restriction for bungalows and are therefore not eligible. If the age restriction were lowered, tenants would gain the Right to Buy for this category of age restricted accommodation, which is currently exempt. This does not, however, prevent a potential change of use to younger people with disabilities. Such reclassification would facilitate exclusion from the Right to Buy.
15. Where age criteria are met, bungalows are frequently refused due to decorative state and / or particularly small floor area. The areas of choice for downsizing tenants is influenced by a wide variety of factors including; employment, family connections, transport links and proximity to shops. It has been noticed that areas in the north of the Borough are the most popular including Ruislip, Northwood, Eastcote and Harefield.
16. The dedicated 'one to one' attention and support provided by the Under-Occupation Officer is valued by older downsizers in particular. Key elements of support include specific property identification / matches, bidding support, liaising with family members, accompanied viewings, organising removals, disconnection / reconnections and signposting to other services.

## Proposal

17. The Council's current financial offer to downsizing tenants is set out in Appendix A. In summary terms this includes a sliding scale from £1,500 in respect of one bedroom released up to a maximum of £4,500 for three or more bedrooms released. This offer has been in place since April 2015. By way of comparison the London Boroughs of Ealing, Hammersmith & Fulham and Brent offer £2,000 for each bedroom released. Harrow offers £1,500.
18. The proposals set out in Appendix A include increasing the payment to £2,000 per bedroom released. This is a flat rate of £2,000 for each bedroom released, irrespective of the number.
19. Currently, where the Council assists tenants with arranging removals via its own term contractor, the cost of the removal is deducted from the incentive payment awarded. This reduces the value of any incentive payment the tenant receives 'in their hand'. The proposal is to add the inclusion of removal costs. Average costs have been capped at £400 reflecting the variability of costs depending upon property size, type, load and consumables. The proposal also includes the additional of a full redecoration cost where the tenant is aged 60 or over and is moving to one-bedroom accommodation. One bedroom bungalows and some sheltered accommodation has proven to be more challenging to let and it is a reasonable expectation that tenants moving into such

accommodation would not be able to undertake their own works of redecoration. Such an approach also increases the attractiveness of these age restricted voids with the potential to reduce re-let time and void rent loss.

20. Subject to any changes in the agreed downsizing incentives it is proposed to review the available packages, at least on an annual basis, based upon a structured approach to tenant feedback.

## **Financial Implications**

21. This report recommends increasing the current levels of HRA incentives for downsizing under the Home Release Reward Scheme, which were last increased in April 2015.
22. The HRA Home Release Reward budget in 2021/22 is £100k. The existing and new incentives are detailed in Appendix A. The £100k budget could fund approximately 40 downsizes under the current incentives depending on demand (based on freeing up 2 bedrooms £100k/£2,5k). Under the new recommended incentives, the £100k budget could fund approximately 22 downsizes based on freeing up 2 bedrooms (£100k/£4.4k). With the increase in incentives there is likely to be an increase in take-up of the offer and freeing up of larger properties. In 2020/21 14 larger properties (3 bedrooms and above) were released through this scheme.
23. Supporting under-occupiers to move into smaller accommodation is part of the overall strategy to increase the supply of social housing and reduce the number of households in expensive forms of temporary accommodation. Furthermore, a significant new driver for reviewing the incentives is the housing regeneration project where there is demand for larger properties as part of the decant process.
24. The increase in incentives can be funded from within the annual £100k HRA Home Release Reward budget. Any pressures above this will need to be considered as part of the overall HRA MTF process, especially as the incentives will be reviewed on an annual basis.

## **RESIDENT BENEFIT & CONSULTATION**

### **The benefit or impact upon Hillingdon residents, service users and communities?**

The proposals set out in this report will support under-occupying council tenants to move to more suitable sized accommodation better suited to their needs. Releasing under-used council housing will also ensure more family sized homes are available to households in need of larger accommodation thereby helping to address the need for more affordable rented homes in the Borough.

### **Consultation carried out or required**

The proposals have been developed taking into account tenant feedback from discussion with under occupying council tenants on a case by case basis, as set out above in the report. The proposals are consistent with the expectations set by the Social Housing Regulator.

## CORPORATE CONSIDERATIONS

### Corporate Finance

Corporate Finance have reviewed this report and concur with the financial implications set out above, noting that the recommended increases to incentive payments are the first since 2015.

### Legal

The Borough Solicitor confirms that there are no legal impediments to increasing the level of payments made to downsizing tenants; such payments are authorised by section 26 of the Housing Act 1985.

## BACKGROUND PAPERS

Nil.

## TITLE OF ANY APPENDICES

**Appendix 1** - Current and proposed incentives for under-occupying council tenants moving to smaller bedroom sized accommodation.



## Appendix A – Options for revisions to the current Home Release reward offer

### Current Incentives

No of bed released	What you get
1	£1,500
2	£2,500
3 or more	£4,500

### Proposed Incentives

Move from	Move to	Bedrooms released	What you get	PLUS Removals paid for	PLUS Redecoration
Four beds	Three beds	1	£2000	Up to £400	N/A
Four beds	Two beds	2	£4000	Up to £400	N/A
Four beds	One bed	3	£6000	Up to £400	£850*
Three beds	Two beds	1	£2000	Up to £400	N/A
Three beds	One bed	2	£4000	Up to £400	£850*
Two beds	One bed	1	£2000	Up to £400	£850*

\*Redecoration relates to pensioner households moving into one bed age restricted accommodation only i.e. bungalows and sheltered housing or one bed general needs. The cost is an average from the schedule of rates for void contractors working across the north and south areas.