

WELWYN HATFIELD BOROUGH COUNCIL
CABINET - 6 SEPTEMBER 2022
REPORT OF THE CHIEF EXECUTIVE

ASSISTED TRANSFER SCHEME (HOUSING)

1 Executive Summary

- 1.1 This report recommends changes to the Assisted Transfer Scheme (AST) that is currently offered to council tenants and to rename the policy the Rightsizing Transfer Scheme (RTS).
- 1.2 The current AST offers tenants who are downsizing from a property that is at least one bedroom more than they need, payments of up to £4,000. The payment is based on the property size they are moving from and to and whether they are moving to sheltered accommodation or general needs.
- 1.3 The scheme is currently targeted towards pension age households and payments to anyone under pension age are limited to a maximum £500. The proposed scheme will be based on need and will be more inclusive, as it will be for all ages.
- 1.4 At the end of April 2022 there were 160 households on the council's housing needs register who had expressed a wish to move to smaller accommodation. The Housing Allocations Scheme gives additional priority to applicants who are seeking to downsize, to help facilitate these moves. It is important that we maximise these opportunities by having the right financial support in place, where needed.
- 1.5 Surveys of applicants on our housing needs register, who are registered to downsize, have shown that whilst the moving expenses are of concern, they are not the only factor considered by tenants who wish to downsize; other important factors are the availability of suitable accommodation in the right area and practical help and support with the moving process.
- 1.6 However financial consideration is a factor, and we recognise that the costs associated with moving, whilst not necessarily the only consideration, can be a barrier to downsizing, especially where not moving could cause financial hardship due to benefit restrictions such as the under-occupation charge and benefit cap.
- 1.7 Comparison with other stock holding local authorities' schemes has shown the council's scheme to be much more generous and more favourable to the over 60's.
- 1.8 It is recommended that the scheme is changed, so that a minimum payment of £750 is made to any tenant who is downsizing and is eligible for the scheme, plus an additional £250 per additional bedroom released.
- 1.9 As the council will be letting its flagship new development, Minster House, in the Autumn, which should appeal to many downsizers, the current annual budget will be increased by means of virement during 2022/23. This will ensure that anyone seeking to downsize, who is eligible for the proposed scheme, can get the help.

2 Recommendation(s)

- 2.1 It is recommended that
- 2.2 Cabinet notes the review of the Assisted Transfer Scheme and approves the changes to this scheme and rebranding, which are set out in this report.

3 Explanation

- 3.1 The council has had an Assisted Transfer Scheme in place for many years. The scheme aims to provide a financial incentive to encourage council tenants who are under occupying family sized homes, to move to smaller accommodation.
- 3.2 The need to maximise the use of our homes, through encouraging downsizing, has never been more important. The demand for larger homes is increasing and there are currently more than 100 households registered on our housing needs register who require four or five bed accommodation to address their housing need. Many of these families are living in very overcrowded situations.
- 3.3 In addition, there are almost 500 families in need of 3 bed homes the housing needs register. Families in Band B, including homeless families living in temporary accommodation, are often waiting for more than a year for a suitable offer of a three-bedroom home.
- 3.4 The current scheme, set out in Appendix A, has not been changed for several years, but has recently been reviewed. A project group is reviewing relevant policies and processes that have an influence on whether a tenant may move to a property that is more suitable to their needs.
- 3.5 The current policy of making discretionary financial payments to tenants who are willing to move to smaller accommodation significantly favours pension aged tenants. However, we know that there are many tenants who are younger but are living in accommodation too big for their needs.
- 3.6 Figures in May 2022 showed that there are 173 tenants who are under-occupiers and consequently subject to the underoccupancy charge (bedroom tax), in our family sized properties. The under-occupation charge is only levied on tenants who are below pensionable age. Of these 173 households, 70% are subject to a reduction in housing benefit, with 54 households having a 25% reduction in payments and 199 a 14% reduction.
- 3.7 Of these households, 47 are in receipt of discretionary housing payments (DHP), which they receive in addition to housing benefit, to try and bridge the gap between the rental charge and the benefit entitlement. As these payments are discretionary, they could end at any point, thus placing the households in financial uncertainty. Whilst the council receives a limited annual DHP grant from the government, it is usually topped up with funds from the Housing Revenue Account, as demand is higher than the available fund.
- 3.8 The total number of under occupiers below pensionable age is likely to be higher than 173, as it will include tenants who are not in receipt of benefit, and we will be updating our records on this as part of the project to conduct tenancy reviews.

- 3.9 The current scheme is not 'means tested' and generous payments are made to those who may have the finance to meet all the costs associated to moving comfortably. It is allocated on a first come first served basis and when the budget is spent there is no more to offer other households.
- 3.10 The 'cost of living' crisis, particularly rising fuel bills, may also be a factor which increases the appetite for downsizing. We therefore expect demand for the ATS to increase.
- 3.11 In the newly proposed Rightsizing Transfer Scheme, the financial incentive will be lower, but significant enough to assist with moving costs where needed. This will ensure that the budget can be used more effectively and will be available to support more tenants to take up the option of a move.
- 3.12 From the information the team has gathered about removal costs, we have calculated the average cost of removals, sometimes this included packing too, was £660. Therefore, it is proposed that each eligible tenant downsizing and releasing a minimum of one bedroom will receive a payment of £750, then an additional £250 for each extra bedroom released. This will help with, if not completely cover, the cost of removals. This is one of the biggest costs associated to moving and the second main barrier identified in our survey was the thought of packing everything up and moving it to a new home.
- 3.13 In exceptional circumstances, in addition to the proposed financial sum, officers will consider other ways of helping vulnerable customers to move. This could be practical help and support with issues such as booking removals and packing services, disconnecting, and reconnecting utilities and handyman services.
- 3.14 We have begun a new campaign publicising rightsizing and we plan to hold more events like one recently held at the Jimmy Macs club at the Hive in Hatfield. Practical help and support can be provided by the Housing Options Officer (Older People) and the Decant Officer, who can 'hand hold' tenants through the moving process.
- 3.15 Minster House
- 3.16 In October 2022 we plan to start letting our flagship new Sheltered housing development at Minster House, Hatfield. One of the key objectives of this development is to provide high quality sheltered housing, which will be suitable for older tenants who are willing to consider downsizing.
- 3.17 Minster House has 91 apartments and we have started to collate expressions of interest from customers. We currently have 75 households registered with an interest in the scheme (prior to any advertising through Choice Based Lettings) and of these 33 are currently tenants occupying family sized property, which is too large for their current needs.
- 3.18 The current budget available to support the ATS (£40,000) is unlikely to be sufficient to provide financial support to all the tenants who have expressed an interest in Minster House, even if the proposed changes to the scheme are agreed. Therefore, the budget for 2022/23 will be increased under officer delegated virement, to ensure that help can be provided to customers who need it, and that maximise the opportunity to recover family sized homes.

Implications

4 Legal Implication(s)

- 4.1 The Council have a legal obligation under the Housing Act 1996 (as amended) to meet local housing need and reduce homelessness.
- 4.2 We are a stock holding authority and we own the majority of the affordable and social housing in the borough; therefore, it is imperative that we do all we can to encourage and enable our tenants to downsize when their situation change. The proposed Rightsizing Transfer Scheme would be reviewed annually and this review would include analysing its impact on rightsizing.

5 Financial Implication(s)

- 5.1 The current budget to support the Assisted Transfer Scheme is £40,000; £8500 has been spent to date, leaving a balance of £31,500
- 5.2 It is proposed to amend the financial award for each tenant, as set out in Paragraph 3.12.
- 5.3 Due to the likely increase in demand for this scheme created by the first letting of Minster House, Hatfield, the current budget will be increased by £20,000. Budgets have been identified within the HRA to accommodate this and will be vired under offer delegations in line with the Financial Regulations.

6 Risk Management Implications

- 6.1 There is a risk of reputational damage if we keep the current scheme as it is, as it is likely that some tenants will receive large payments and others will receive nothing, as the budget will have been spent.
- 6.2 Failure to manage the incentive scheme so that all those interested in moving to Minster House, or other smaller accommodation, could mean that we have some tenants remaining in larger homes who cannot meet their rent commitments, and this could lead to a loss in revenue generated for the general fund.
- 6.3 Failure to address housing needs could lead to legal challenge

7 Security and Terrorism Implication(s)

- 7.1 There are no obvious implications arising from this scheme.

8 Procurement Implication(s)

- 8.1 There are no obvious procurement implications arising from this scheme.

9 Climate Change Implication(s)

- 9.1 There are no climate change implications arising from this scheme.

10 Human Resources Implication(s)

- 10.1 There are no Human Resources implications arising from this scheme.

11 Health and Wellbeing Implication(s)

- 11.1 We could improve the wellbeing of our residents by assisting them, with the RTS, to move to accommodation which better suits their needs, for instance level access accommodation, sheltered accommodation or smaller accommodation which does not overwhelm them physically or financially.
- 11.2 The creation of more available family homes, as a result of the promotion and use of the RTS, would improve the wellbeing of local residents on our housing needs register who as a result had the opportunity to move into suitable sized accommodation.

12 Communication and Engagement Implication(s)

- 12.1 Members of Cabinet Housing Panel have been consulted on the proposed changes and are supportive of the proposals.
- 12.2 Once it is agreed to cease the AST and replace it with the RTS we will promote its use through our Neighbourhood Officers and other staff members. It does not require consultation with tenants.

13 Link to Corporate Priorities

- 13.1 The subject of this report is linked to the Council's Strategic Aims:
- a) **Quality homes through managed growth** and specifically to provide high quality housing, thriving neighbourhoods and sustainable communities.
 - b) **A sense of community where people feel safe** and specifically to the achievement of 'designing and maintaining attractive neighbourhoods which our communities can enjoy and take pride in'.
 - c) **A well-run council which puts our customers first** and specifically to the achievement of 'put our customers at the centre of what we do and how we design our services'.

14 Equality and Diversity

- 14.1 An Equality Impact Assessment has been done and identified that the proposed changes will have a positive impact overall, as the number of tenants who can be assisted will be broader and it will meet the needs of all age groups.
- 14.2 As the amount of each grant available will be less for pensioners, there will be a small negative impact, however this can be mitigated using discretion to provide more assistance, where a tenant is particularly vulnerable or in significant financial hardship.

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Appendices

Appendix A – Assisted Transfer Scheme

Appendix B - proposed Rightsizing Assistance Scheme