

Transfer Incentive Scheme

Housing Committee Tuesday, 21 June 2022

Report of: Executive Head of Communities

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

The Council has, for a number of years, operated a Transfer Incentive Scheme with the aim of encouraging Council tenants who are under-occupying family-sized accommodation to move to lower demand older persons stock.

Although numbers participating in the scheme are relatively low, it is recommended that the scheme continues as it is a means of increasing the supply of much-needed family-sized Council housing available for allocation.

The Scheme has not been reviewed for more than 15 years and it is recommended that the Scheme is revised to consider inflationary increases in the intervening years and changes in relative demand for properties of particular sizes.

This report supports the Council's priority of:

- Building a better Council
- Creating the homes, infrastructure and environment we need
- Becoming a greener, more sustainable District

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Recommendation to Committee:

That the amendments to the Transfer Incentive Scheme as set out in paragraphs 16 and 18 to 20 of the report be agreed, namely that with effect from 1st July 2022:

- A. eligibility for the Scheme will be extended to qualifying assured tenants of Registered Provider (RP) properties in the District providing that the Council has received written confirmation from their landlord that it will be entitled to nominate the new tenant for the resulting vacancy;
- B. eligibility for the Scheme will be extended to tenants moving to all one-bedroom properties and two-bedroom properties within the Council's permanent housing stock;
- C. the fixed grant amount payable to applicants transferring under the Scheme a property be increased as follows:
- a £5,000 incentive grant for tenants moving to one-bedroom or bedsit accommodation; or
 - a £2,000 incentive grant for tenants moving to a two-bedroom property;
- D. budgetary provision for the scheme for 2022/23 be increased from £15,000 to £25,000.

Reason for recommendation:

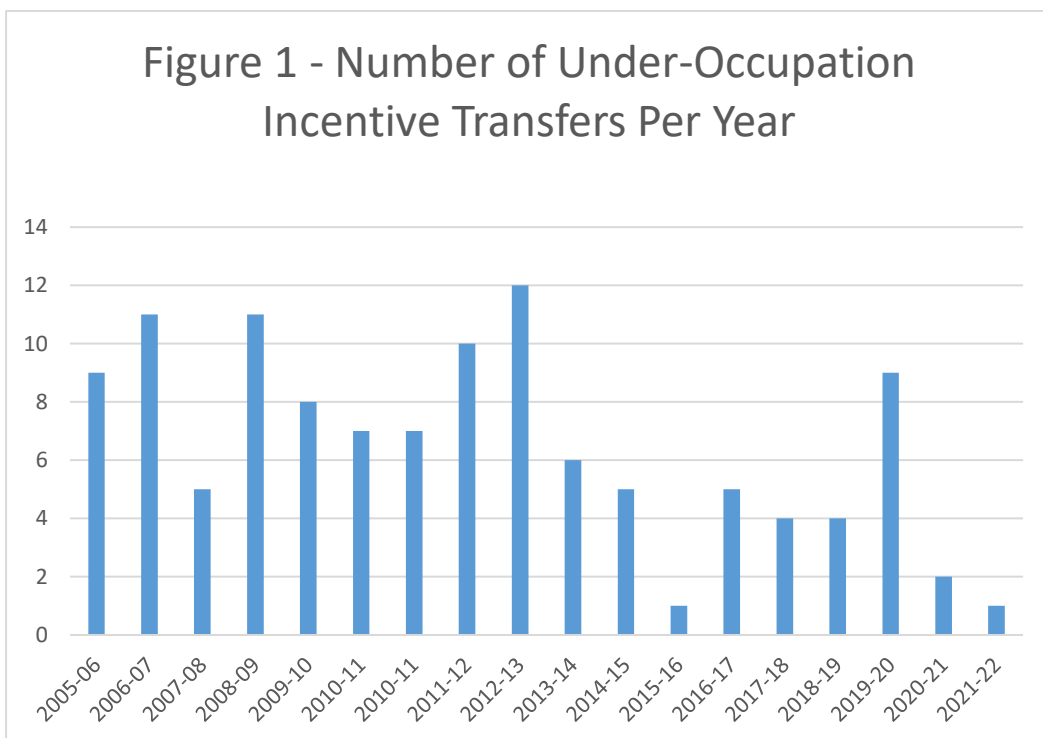
To enable the revised Transfer Incentive Scheme Policy at Appendix A to be adopted from 1st July 2022.

Introduction and background

- 1 The Council has operated a Transfer Incentive Scheme for several years. However, the Scheme has not been reviewed or amended since 2004.
- 2 The objective of the Scheme is to encourage Council tenants who are under-occupying family-sized accommodation to move to lower demand stock. As well as assisting tenants to move to accommodation that is likely to be more sustainable for them, it has the significant benefit of increasing the supply of much needed family accommodation for those on the Council's Housing Register.
- 3 The number of households in urgent need on the Council's Housing Register (measured by the Committee's key performance indicator HO5) has increased significantly over the last few years due to a limited supply of affordable housing. The vast majority (85%) of these applicants are in need of accommodation with two or more bedrooms. The Transfer Incentive Scheme is one of the initiatives that is being pursued to help increase the supply of affordable housing.
- 4 There is no central government funding for such schemes, so local authorities must fund such schemes from their own resources.

Current Scheme

- 5 The Scheme is designed to assist the Council to meet housing needs and make best use of its housing stock by giving existing secure council tenants who are under-occupying their home a financial incentive to transfer to smaller accommodation designated for older persons or designated for persons over 40 years of age.
- 6 The Scheme pays a grant of £2,000 to eligible tenants to assist with the reasonable costs of moving home - removals, connection and disconnection of services replacement carpets and curtains etc. Tenants are not expected to submit invoices or receipts to receive this payment
- 7 Deductions from the grant can be made for
 - the amount of rent arrears owed to the Council at the time of transfer; and/or
 - the cost of any works that the Council has to undertake to the vacated premises as a result of damage or neglect on the part of the tenant.
- 8 The annual budget for the Scheme, which is solely funded from the Housing Revenue Account, is £15,000 per annum. Despite this provision being sufficient to fund at least seven incentives, this figure has only been achieved once in the last nine financial years.
- 9 Numbers participating in the Scheme are currently very low with only one tenant transferring through it during 2021-22 and only two the previous year. While it is likely that the Covid-19 Pandemic may have played a role in the recent very low uptake, it is evident that take-up has declined significantly over the years. This is shown in Figure 1 below.



- 10 Table 1 below shows how the average number of transfers and the value of grants paid under the Scheme has decreased over time.

Period (Financial Years)	2006/09 – 2009/10	2010/11 – 2013/14	2014/15 – 2017/18	2018/19 – 2021/22
Under- occupation Transfers (Average)	9	9	4	4
Total Grant Paid (£)	18,250	19,500	8250	7,800

Consultation

- 11 Unfortunately, without conducting a full tenancy audit, it isn't possible to establish which tenants within our stock are under-occupying and may be eligible for the Transfer Incentive Scheme. However, analysis of Housing Benefit records and the Mutual Exchange Register has enabled officers to identify a number of such tenants.
- 12 In mid-2021, Officers from the Housing Needs Service wrote to these tenants to enquire whether they wished to move to smaller accommodation and advising them of the Tenants Incentive Scheme. Unfortunately, none of the tenants contacted indicated that they wished to move on the terms of the existing Transfer Incentive Scheme.
- 13 Subsequently, the same Officers conducted a follow-up survey to establish whether any of the tenants would be interested in moving if the grant amounts were increased to the values detailed in paragraph 20 of this report. While the majority of those contacted still did not wish to move to smaller accommodation, the survey identified 10 tenants who would consider moving to smaller accommodation if they were eligible for an incentive

Proposed Changes to the Scheme from 1st July 2022

- 14 The supply of general needs one-bedroom properties becoming available for allocation by the Council has increased in recent years, particularly as a result of re-designation following the Council's review of its sheltered housing stock. While such properties are not in low demand, there is lower demand for them from applicants in urgent housing need than there is for family-sized properties.

- 15 While two-bedroom properties are in relatively high demand and low supply, there is certainly a lower supply of properties with three or more bedrooms becoming available for allocation. As a result, applicants in urgent housing need requiring larger properties are having to wait considerably longer than those in urgent need requiring two-bedroom properties.
- 16 Having regard to both of these issues, it is proposed that eligibility for the Scheme should be extended to tenants moving to all one-bedroom properties and two-bedroom properties within the Council's permanent housing stock
- 17 In addition to being able to allocate vacant properties in its own stock to applicants on its Housing Register, the Council also has the right to nominate to the majority of vacancies that arise in register provider social housing stock in the District. As registered providers have been the main developers of social housing stock in the District for many years, the amount of stock that they manage within the District, particularly family-sized properties, has become significant in assisting the Council to meet housing need.
- 18 It is therefore proposed that eligibility for the Scheme should be extended to qualifying assured tenants of Registered Provider properties in the District providing that the Council has received written confirmation from their landlord that it will be entitled to nominate the new tenant for the resulting vacancy
- 19 The value of the fixed amount of grant payable to applicants transferring under the Scheme has not changed since the Scheme was last reviewed in 2004. To address this, it is proposed that the fixed grant amount payable to applicants be increased as follows:
 - a £5,000 incentive grant for tenants moving to one-bedroom or bedsit accommodation; or
 - a £2,000 incentive grant for tenants moving to a two-bedroom property
- 20 An initial target of a minimum of 5 under-occupation transfers be set for 2022/23 and budgetary provision be increased to £25,000 to enable this.

Key implications

Comments of the Chief Finance Officer

The Housing Revenue Account (HRA) is a separate ring-fenced fund to be used to reinvest and developed the Councils housing stock. The report is asking for an increase in the HRA Budget 2022/23 spend by £10,000 within budgets. Apart

from the additional spend the benefits in agreeing to the recommendations will be intangible.

Comments of the Head of Legal Services

There is no specific statutory provision which empowers the Council to create this type of cash incentive scheme. However, under section 74 of the Local Government and Housing Act 1989 ("the 1989 Act"), the Council is required to keep a separate Housing Revenue Account (HRA) of sums falling to be credited or debited in respect of its housing stock. Sections 75 and 76 of the 1989 Act set out the rules for establishing and maintaining that account. Paying financial incentives to Council tenants to downsize or leave social housing altogether will normally have to come within the HRA as the "management of houses and other property" comes under the item of "Expenditure on repairs, maintenance and management" which is one of nine items that must be debited to the HRA (as set out in Schedule 4, Part I of the 1989 Act).

If Members are mindful and view the cash incentive scheme to be value for money, the Council has the authority under s111 of the Local Government Act 1972 which states that "a local authority shall have power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions".

Equality

This report is not considered to disadvantage or discriminate against any different groups with protected characteristics in the community.

Climate change

It is not considered that this report contains any proposals that will significantly impact the Council's ability to take action on climate change and hit its target of net zero carbon by 2030.

Appendices

Appendix A – Proposed Transfer Incentive Scheme Policy

Background papers

None

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