1. **Purpose of Report**

1.1 To consider the introduction of a proposed Transfer Incentive Scheme.

2. **Recommendation(s)**

2.1 That Cabinet agree the Housing Policy Development Committee’s recommendation to introduce the proposed Transfer Incentive Scheme attached as Annex 1.

2.2 That subject to Cabinet’s agreement of the Housing Policy Development Committee’s recommendation that the scheme be evaluated and approved after 6 months of operation.

3. **Conclusions and Reason(s) for the Recommendation(s)**

3.1 The Housing Policy Development Committee have recommended that the Proposed Transfer Incentive Scheme attached as Annex 1 is introduced.

4. **Key Issues**

4.1 Tenant Incentive Schemes were first considered by Housing Policy Development Committee on 11 September 2008. It was agreed that a transfer incentive package be investigated for further consideration to encourage the release of under occupied family houses for occupation by families in housing need and re-location of tenants requiring disabled adaptations to existing adapted or sheltered accommodation to make better use of limited disabled facilities resources.

4.2 A proposed Transfer Incentive Scheme was considered by Housing Policy Development Committee on 19 March 2009 (attached as Annex 1) Housing Policy Development Committee agreed a recommendation be made to Cabinet to introduce the scheme.

4.3 The Council’s housing stock includes 1344 one bedroom bungalows which are suitable for single people or couples. Currently, the vast majority of pre 1970 one bedroom bungalows...
which become vacant are allocated to households transferring from 1 bedroom flats or bungalows and applicants from the waiting list not currently occupying Council accommodation.

4.4 In any 12 month period there are over 40 bungalows which have the potential to accommodate households who are under-occupying family sized Council houses.

4.5 Council tenants who have registered to move to smaller accommodation but who have refused offers do so for a variety of reasons including property features, state of health, issues with moving and the financial costs of moving.

4.6 The scheme was developed to increase the number of transfers undertaken by Council Tenants under-occupying family houses or requiring disabled adaptations through payment of an incentive. Whilst the payment of a one off lump sum will not assist with eliminating all the barriers to moving to smaller accommodation it is anticipated that it will assist in removing some of the barriers and thereby increasing the number of transfers undertaken.

4.7 The aims of the scheme are to increase the:

(a) amount of affordable housing available within the district for rent to the highest priority housing need group i.e. families with dependent children by encouraging Council tenants who are under occupying family houses to transfer to smaller accommodation.

(b) number of tenants benefitting from the council’s disabled facilities resources through encouraging tenants requiring disabled adaptations to relocate to existing adapted or sheltered properties.

4.8 The scheme was designed to meet the following principles:

(a) Clear and simple to understand.

(b) Minimal tenant input required.

(c) Value for Money.

(d) Flexible to meet tenants’ diverse needs.

(e) Fair and equitable.

4.9 There is currently no budget provision available in the HRA capital budget for these. However, capital receipts are generated from the council’s disposal of one bedroom bungalows which are used to produce additional affordable housing. It is proposed to divert £30,000 of these resources per annum to the HRA Capital Programme in order to provide up to 20 payments in the 2009-10 financial year. Any monies owed to the Council will be deducted from the payment before it is made to the tenant. The Transfer Incentive Scheme payments will need to be made from the Housing Revenue Account so it is proposed to reduce the Revenue Contribution to Capital by the £30,000 and the money vired to a new transfer incentive scheme budget.

4.10 The sum of £30,000 would enable 20 payments to be paid thereby producing approximately 14-19 additional ‘affordable’ houses available to families on the waiting list than would normally be achieved.
4.11 It is proposed that the Transfer Incentive Scheme be evaluated and reviewed following 6 months of operation.
Section 1

Background

Tenant Incentive Schemes were first considered by Housing Policy Development Committee on 11 September 2008. It was agreed that a transfer incentive package be investigated for further consideration to encourage the release of under occupied family houses and re-location of tenants requiring disabled adaptations to existing adapted or sheltered accommodation.

Housing Policy Development Committee on 19 March 2009 received a further report on a proposed Transfer Incentive Scheme and agreed that a recommendation be made to Cabinet to introduce the scheme as attached as Annex 1.

Section 2

Current Situation

Transfers

The Council’s housing stock includes 1344 one bedroom bungalows which are suitable for single people or couples. Currently, the vast majority of pre 1970 one bedroom bungalows which become vacant are allocated to households transferring from one bedroomed flats or bungalows and applicants from the waiting list not currently occupying Council accommodation.

<table>
<thead>
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<th></th>
<th>01/01/07 – 31/12/07</th>
<th>01/01/08 – 31/12/08</th>
</tr>
</thead>
<tbody>
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<td>No. of voids</td>
<td>53</td>
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</tr>
<tr>
<td>Transfer from:</td>
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<td></td>
</tr>
<tr>
<td>2 bedroom house</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>3 bedroom house</td>
<td>1</td>
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<tr>
<td>Other lettings</td>
<td>48</td>
<td>43</td>
</tr>
</tbody>
</table>

It can be seen therefore that in any 12 month period there are over 40 bungalows which have the additional potential to accommodate households who are under-occupying family sized Council houses.

Council tenants who have registered to move to smaller accommodation but who have refused offers do so for a variety of reasons including:

(a) Property features of smaller accommodation e.g. location, size of property, rooms and garden, parking.

(b) State of health: e.g. health deteriorated since making an application even though the transfer is on grounds of ill health.

(c) Financial costs of moving: removals, new fittings and fixtures, disposal of unwanted furniture.
(d) Issues with moving: this may include the upheaval, time, and disturbance, resulting from arranging removals, fitting carpets and fixtures, connections/disconnections, notifying change of address, and disposal of furniture.

Information is not available from under occupying Council tenants who have not registered for a transfer as to the barriers which may be preventing a move to smaller accommodation.

Disabled Facilities

Applicants for disabled adaptations to Council properties are currently experiencing a wait of x months for a priority one adaptation. Efforts are constantly made to encourage tenants to move to vacant dwellings where the adaptation they require is already provided.

However, as with tenants transferring to smaller accommodation there are a similar range of issues acting as barriers to these moves.

It is not considered feasible to develop a scheme to encompass the whole range of reasons that act as barriers to tenants moving into smaller accommodation or meet all requests for disabled adaptations. However, the Council does already offer an incentive payment scheme (Smaller Accommodation Incentive Scheme) to tenants within the Elizabeth Road Area Redevelopment Scheme Rehousing Policy. Therefore, a proposed Transfer Incentive Scheme has been developed, based on Smaller Accommodation Incentive Scheme.

Section 3

Proposed Transfer Incentive Scheme

The proposed Transfer Incentive Scheme as agreed for recommendation to Cabinet by Housing Policy Development Committee is attached as Annex 1.

The aims of the scheme are to increase the:

(a) amount of affordable housing available within the district for rent to the highest priority housing need group i.e. families with dependent children by encouraging Council tenants who are under occupying family houses to transfer to smaller accommodation.

(b) number of tenants benefitting from the council’s disabled facilities resources through encouraging tenants requiring disabled adaptations to relocate to existing adapted or sheltered properties.

The Transfer Incentive Scheme has been developed to meet the following principles:

(a) Clear and simple to understand.

A one off flat rate payment to be paid to all qualifying tenants.

(b) Minimal tenant input required.

Tenants are not required to provide invoices or proof of purchase. Tenants will only be required to complete a simple application form as part of the sign up interview.

(c) Value for Money.
Administration costs will be kept to a minimum as there is no requirement for the tenant to provide invoices or proof of purchase.

Payment will be capped to £1500 (and is equivalent to the payment made under the Smaller Accommodation Incentive Scheme within the Elizabeth Road Area Redevelopment Scheme Rehousing Policy).

Budget provision proposed is equivalent to producing one additional affordable house provided by a housing association.

Any monies owed to the Council will be deducted from the payment before issue to the tenant.

Better use will be made of existing disabled adaptations in Council properties resulting in savings in Disabled Facilities Works (Council Dwellings) budget provision.

Savings in Disabled Facilities Works (Council Dwellings) can be used to reduce waiting times for applicants requiring new adaptations.

(d) Flexible to meet tenants’ diverse needs.

There are no restrictions on the use of the payment by the tenant i.e. payment can be used for household or non household purposes.

Payment can be made directly into a tenant’s bank account or by cheque. (Where a tenant does not have a bank account the Council will open the cheque following proof of identity.)

(e) Fair and equitable.

All qualifying tenants receive a flat rate lump sum.

Budget Provision

There is currently no budget provision available in the HRA Capital Budget for these. However, capital receipts are generated from the Council’s disposal of one bedroom bungalows which are used to produce additional affordable housing. It is proposed to divert £30,000 of these resources per annum to the HRA capital programme in order to provide up to 20 payments in the 2009-10 financial year. Any monies owed to the Council will be deducted from the payment before it is made to the tenant. The transfer incentive scheme payments will need to be made from the housing revenue account so it is proposed to reduce the revenue contribution to capital by the £30,000 and the money vired to a new transfer incentive scheme budget.

Outputs

Budget provision for 2009-10 would enable 20 payments to be paid thereby either:

(a) producing approximately 14 - 19 additional ‘affordable’ houses available for rent by families on the waiting list; or

(b) enabling additional disabled facilities works to be undertaken through savings achieved.
Evaluation and Review

It is proposed that the Transfer Incentive Scheme be evaluated and reviewed following 6 months of operation.

Section 4

Community Engagement

A focus group considered the scheme and supported the introduction. The Chase Tenant and Residents Federation were also consulted.

The Scheme will be advertised through the Hometalk magazine for Council tenants together with leaflets and information on the Council’s website.

Section 5

Contribution To Chase

Children and Young People:

Increasing the number of family sized housing available for letting to families who may be homeless or occupying overcrowded accommodation contributes to improving the life chances of children and young people.

Healthier Communities, Housing and Older People:

By making better use of existing disabled adapted properties more households will benefit from disabled facilities resources thereby contributing to a healthier community.

Increasing the number of family sized housing available for letting to families who may be homeless or occupying overcrowded accommodation contributes to reducing the shortfall in the demand for affordable housing.

Section 6

Financial Implications

Capital receipts generated from the Council’s Disposal of Vacant One Bedroom Bungalow Policy are used to produce additional units of affordable accommodation. It is proposed to divert £30,000 of these resources per annum to the HRA Capital Programme in order to provide up to 20 payments in the 2009-10 financial year. The Transfer Incentive Scheme payments will need to be made from the Housing Revenue Account so it is proposed to reduce the Revenue Contribution to Capital by the £30,000 and the money vired to a new transfer incentive scheme budget. Any monies owed to the Council will be deducted from the payment before it is made to the tenant.

Section 7

Legal Implications
The Council must ensure that it is satisfied that the incentive scheme payment of £1,500 is justified and meets the Council’s obligations to ensure best value.

The incentive scheme by enabling the Council to realign its limited housing stock to meet key housing needs will assist the Council discharge its statutory housing functions and its duties and obligations to specific groups such as disabled persons and those persons with high priority needs.

The Council must be satisfied that the criteria and application of the scheme is both proportionate in its effect and sufficiently robust to withstand any potential challenge.

The scheme lends itself to the ‘well being powers’ laid out in Part 1 of the Local government Act 2000 (as amended) as it promotes the social and potentially economic well being of relevant parts of the District and its inhabitants. Moreover, the scheme also emphasises the general power provided for in Section 137 of the Local Government Act 1972, which permits authorities to incur expenditure in the interest of their local areas, which is one of the key objective outlined in the report.

Section 8

Section 17 (Crime Prevention)

There are no section 17 implications.

Section 9

Human Rights Implications

There are no Human Rights Implications.

Section 10

Data Protection Implications

There are no data Protection Implications.

Section 11

Risk Management Implications

Low demand for some elements of the housing stock in particular pre 1970 one bedroom bungalow has been identified in the risk register with a gross risk of 20 which places it within the high risk category. The transfer incentive scheme will contribute toward mitigating the risk and achieving the target residual risk rating of 8 (medium risk).

There are a number of risks associated with the introduction of the transfer incentive scheme. Firstly the risk of overspend due to excessive demand for payments. This has been mitigated by setting a budget provision, advising tenants the scheme is cash limited and setting out conditions in the scheme whereby tenants may refuse and reapply when budget provision is available. Secondly, the scheme includes terms and conditions to ensure that only qualified transfers will trigger a payment and monitoring will be undertaken to ensure compliance.

Section 12
Equality and Diversity Implications

By ensuring more families have access to suitable accommodation the Council is improving the equality of access to affordable housing. The Council is contributing to reducing inequality by increasing the number of tenants benefiting from disabled facilities resources and thus improving the quality of life.

Section 13

Other Options Considered

Two other options were considered:

1. Standard allowance - claimable where cost incurred e.g. removals, carpet. Standard allowance paid regardless of whether is in excess of actual cost.

2. Allowance based on actual cost incurred up to a maximum limit.

These options did not meet the principles (a) – (d) identified within the report.

Background Papers

Annex 1 Transfer Incentive Scheme

Report Author

Janet Baldasera, Housing Strategy and Service Improvement Manager
Annex 1

Cannock Chase Council

Housing Services

Transfer Incentive Scheme

1. **Aims of the scheme**

1.1 The aims of the scheme is to encourage tenants who are under occupying family sized accommodation or adapted properties to move to smaller accommodation thereby releasing high demand accommodation for families on the waiting list.

2. **Objectives of the scheme**

2.1 The objectives of the scheme are:

(a) Encourage and assist tenants under-occupying general needs family accommodation (3 and 4 bedroom houses) to move to smaller (1 bedroom bungalows) properties.
(b) Release general needs accommodation, particularly, three plus bedroom properties, in order to maximise occupancy
(c) Encourage tenants requiring disabled adaptations to re-locate to existing adapted or sheltered accommodation.
(d) The scheme to be clear, simple, and easy to use to encourage tenants to move.
(e) The scheme to be good value for money i.e. achieves objectives at the least cost.

3. **Eligibility**

3.1 The Tenants Incentive Scheme is available to those tenants who meet the following:

(a) are secure joint or sole tenants of Cannock Chase Council who occupy general needs family properties with three or more bedrooms,
(b) qualify under the Council’s Allocation Policy for a pre 1970 one bedroom bungalow.
(c) have a clear rent account or have an agreement in place to clear arrears
(d) existing property must be in a good decorative, clean order, (pre-inspection will be carried out prior to acceptance, and once the property has been vacated)
(e) provide vacant possession of their present home

4. **Ineligibility**

4.1 The Tenants Incentive Scheme will not be available to those tenants:

(a) against whom the Council has commenced legal proceedings. (i.e. rent arrears, antisocial behaviour)
(b) who hold an introductory tenancy
(c) who are licensees
(d) who owe current rent arrears and former tenant debt or a sundry debt to the council, and where reasonable repayment of the debt cannot be negotiated.
5. **Incentive Payments - Fixed ‘one off’ Lump Sum Payment**

5.1 A fixed lump sum incentive payment of £1500 to be paid in accordance with the criteria set out below:
Where a tenant relocates from a:

(a) 3 or 4 bedroom house to a pre 1970 one bedroom bungalow.

(b) property requiring a disabled adaptation costing in excess of £1,500 to a property that is
   (i) already adapted
   (ii) where the required adaptations will cost at least £1,500 less.

5.2 On signing the tenancy for an eligible property the tenant will be given the opportunity to apply for Incentive Payment. Payment to be made within 10 working days of receipt of a signed application form. (This will normally be carried out as part of the sign up interview).

6. **Conditions**

6.1 The Council reserves the right to reduce the payments set out in if there are: -
   (a) rent arrears owed to the council at the time of offer of transfer
   (b) any rechargeable costs 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.

6.2 The number of Transfer Incentive Scheme payments is restricted to the budget provision set by the Council. Payments will be made on a first come first served basis. In the event of a tenant being offered a transfer where the number of transfers has already exceeded the budget will be entitled to refuse the transfer but made another when budget provision and a suitable property is available.