

COMMITTEE	HOUSING AND ENVIRONMENT
DATE	16 FEBRUARY 2010
CORPORATE DIRECTOR	PETE LEONARD
TITLE OF REPORT	INCENTIVES TO ENCOURAGE TENANTS TO DOWNSIZE
REPORT NUMBER	H and E

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval to introduce a policy to provide assistance and a financial incentive to Council tenants occupying 3+ bedroom family properties in high demand areas, to move to smaller or more suitable housing in order to increase the supply of large family housing.

2. RECOMMENDATION(S)

- 2.1 To grant approval for officers to implement a scheme of assistance to help under occupying Council tenants downsize to smaller more suitable accommodation.
- 2.2 To approve the criteria for Council tenants to access the grant.
- 2.3 To grant Committee priority to qualifying Council tenants of two offers of smaller accommodation.
- 2.4 To offer incentives to a maximum of £3,000 to qualifying Council tenants and an additional Like for Like payment in accordance with Appendix 1.
- 2.5 To allocate a budget of £76,000 to this initiative from the former Tenant Reward Scheme budget.
- 2.6 To grant delegated powers to Heads of Service to assess and approve as necessary, on a case by case basis, applications from Council tenants occupying 3+ bedroom family homes in high demand areas as designated by the Housing Service who wish to downsize to smaller accommodation

3. FINANCIAL IMPLICATIONS

- 3.1 The direct financial cost to the Council will be limited to £75,000 budget for the payment of incentives to qualifying tenants and £1,000 for marketing formerly part of the Goodapple Tenant Reward Scheme. It is difficult to predict the take

up of such initiatives bearing in mind the individual circumstances of our tenants. However we estimate that not more than 30 tenants may apply in any financial year. It is anticipated that the average incentive payment may be in the region of £2,500. Funding for the scheme will be cash limited and will be on a first come first served basis.

The Council's current new build project which includes 3 bedroom family homes are costing over £130,000 each to construct. Even if we pay incentives on average of over £2,500 for each successful applicant it will free up family homes for let at a fraction of the new build cost and will provide good value for the Council.

4. SERVICE AND COMMUNITY IMPACT

4.1 The Community Plan sets out our vision for the future of the City. Our vision is a City which is Vibrant, Dynamic and Forward Looking, an even better place to live and work, where people can expect high quality services that meet their needs. The current policy aims to fulfil the following Vibrant Dynamic and Forward Looking objectives:

- a) Adopt and implement strategies to support independent living for people with special needs.
- b) Continue to monitor, support and develop the Aberdeen Families Project.
- c) Continue to support and develop the Care and Repair Service.
- d) Work in partnership with other public bodies to deliver maximum efficiencies.

4.2 The Council's Single Outcome Agreement is contained within the Community Plan update 2008 and the Single Outcome Agreement 2008/11. This links national outcomes with local outcomes and priorities that in turn support the administrations policy document. Those specifically related (either directly or indirectly) to the current letting arrangements are:

- a) Improve the quality of life in our most deprived areas.
- b) All unintentionally homeless households will be entitled to settled accommodation.

5. OTHER IMPLICATIONS

5.1 There are no direct legal implications arising from the report.

5.2 There are no direct personnel or resources implications arising from the report, however depending on the take-up of such an incentive there may be some modest increase in the workload for the Void Repairs Service, Estate Management, the Goodapple Accommodation and Advice Service (GAAS) and Selections teams.

5.3 There is no direct property implications arising from the report, however, the scheme is intended to support our aim of sound asset management and consequently we need to make the best use of the housing stock we have available.

- 5.4 There are no direct equipment implications arising from the report
- 5.5 There are no direct sustainability implications arising from the report

6. REPORT

Main Considerations

Background

- 6.1 The Housing (Scotland) Act 1987 (as amended) states that our allocation policy should give “Reasonable Preference To” the following types of housing applicants:-
- People who are homeless, or threatened with homelessness;
 - People living in houses which do not meet the tolerable standard;
 - People living in houses which are overcrowded;
 - Large families.
- 6.2. The City Council currently owns and manages around 23,000 properties and we have been losing between 200/300 properties annually through the Right to Buy (RTB) although this figure is decreasing substantially due to the new RTB legislation and the designation of certain areas in the City with Pressured Area Status. In order to manage our stock effectively we need to provide additional properties for overcrowded and larger families. Consequently we need to develop initiatives which will increase the supply of available houses that are suitable for these household types.
- 6.3 There are currently around 4,192 properties with 3 or more bedrooms within our stock and it is likely that some tenants, many of which may be elderly, are living in family houses which are now too large for their needs, but may be reluctant to move due to the cost implications or because they need help or assistance to do so. Some may also be struggling financially to heat and maintain these larger houses or have a medical issue which makes climbing stairs/cleaning the house difficult. These tenants may be encouraged to downsize to a more manageable home with the assistance of a suitable financial package.
- 6.4 The reduction in under occupation of Council houses helps to reduce overcrowding and homelessness in Aberdeen City.
- 6.5 A change in tenancy through transfer or exchange would also result in some existing tenants reducing their potential Right to Buy discount from the original discount of up to 70% of the value of the property to a modernised Right to Buy discount of a maximum of £15,000. This would have a potential positive impact on the stock retention. However, there may be some reduction in capital receipts from house sales.

6.6 In order to encourage under occupying tenants in areas of higher demand to downsize and to enable this incentive scheme to be successful we need to make it financially attractive and also to make an early offer of smaller more suitable property. With the current pressure of demand for smaller properties coming from statutory homeless we would need to offer those downsizing some form of priority and the best way currently to achieve this is through the discretionary transfer mechanism.

Proposed Arrangements

- A targeted marketing approach is desirable in order to encourage tenants of larger high demand properties in the high demand areas to seek to downsize.
- Tenants of 3+ bedroom properties in high demand areas, irrespective of whether they had a live transfer application will be contacted to see if they wish to apply for the downsizing grant. Marketing will begin with the oldest tenancies, since these properties are more likely to be under occupied. Tenants should not contact the Council directly since only certain properties will qualify for the grant.
- An incremental scale of payments will be made i.e. £1,000 per bedroom surrendered rising to £3,000.
- An additional like for like payment will also be made if a qualifying tenant is prepared to move to an area of less demand permitting an earlier house move.
- This policy does not apply to tenants moving through the mutual exchange scheme

The main criteria for tenants to qualify for the scheme are:-

- They must be a tenant of Aberdeen City Council (ACC) and live in a 3+ bedroom property designated as high demand and wish to move to a smaller ACC tenancy;
- No ACC housing debt;
- The house they are living in must be left in a good condition satisfactory to ACC.
- Accept an offer of alternative accommodation which excludes Sheltered Housing
- They must not have previously been awarded a downsizing grant;
- There must be a sufficiently high demand for the qualifying tenants property;
- Funding for the scheme is cash limited and will be allocated on a first come first served basis.

7. AUTHORISED SIGNATURE

Name, job title, email address and phone number

8. REPORT AUTHOR DETAILS

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9. BACKGROUND PAPERS

None

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APPENDIX 1

Bedrooms surrendered	1 Bedroom	2 Bed	3 Bed
Main Payment	£1,000	£2,000	£3,000
Category 1 Like for Like	Nil	Nil	Nil
Category 2	£200	£400	£550
Category 3	£400	£600	£800
Category 4	£600	£850	£1,150

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