



Report of the Director of Environment & Neighbourhoods

Executive Board

Date: 4th March 2009

Subject: Under Occupation Scheme

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

There is significantly greater demand than supply for family sized homes in the council housing sector within Leeds. The council, the Arms Length Management Organisations (ALMOs) and Belle Isle Tenants Management Organisation (BITMO) must be seen to be tackling this by making best use of its housing stock. Following an Inquiry by Environment and Neighbourhoods Scrutiny Board in 2008, Executive Board agreed, in June 2008, the implementation of a cash incentive scheme for customers currently under occupying their homes to move to more appropriately sized accommodation. This report provides details of the operation of the scheme.

The scheme has released 27 homes to date.

1.0 Purpose Of This Report

- 1.1 The purpose of this report is to update Executive Board on the under occupation scheme launched in July 2008. The report sets out proposals on how to encourage further customers who are under occupying to downsize.

2.0 Background Information

- 2.1 In June 2008, Executive Board approved £300,000 to develop and implement an incentive scheme to encourage customers who are currently under occupying to downsize to a more appropriately sized home. When a customer downsizes they are given £1,000 for each bedroom they release, and they are given advice and support throughout the process.
- 2.2 Executive Board also agreed to receive a further report outlining targets on how incentives for under-occupiers can be implemented for 2009/10.
- 2.3 A tenant is defined as under occupying if they would release a larger property than they would be offered if they were to move.¹ Research shows that in the social housing sector, under occupiers are most likely to be households where children have left the family home. These tenants are often elderly. This is demonstrated within our own scheme, as two thirds of those already rehoused through the scheme are aged 60 or above.
- 2.4 Council tenants have a right to remain in their home as long as they adhere to the tenancy agreement. Therefore, any move to a smaller home as a result of under-occupying a property must be voluntary.
- 2.5 Given the reduction in the number of family-sized Council homes available to let, it is imperative that the Council makes, and is seen to make, best use of its own stock. Since 2006 the Council's lettings policy has allowed tenants who are under-occupying to be awarded a high priority on the Leeds Homes Register. Although this has enabled some tenants to move to a smaller home, additional incentives are required to encourage other tenants to downsize. To make better use of stock, in June 2008, the Executive Board approved £300,000 for a cash incentive scheme for customers under-occupying to downsize their home. They are given £1000 per bedroom released when they move to smaller and more appropriately sized home.
- 2.6 The scheme was widely promoted through mail shots directly to customers; posters and leaflets displayed in housing offices; promotional articles in ALMO/ BITMO and Leeds Tenants Federation newsletters; and, press releases about successful cases through the local media.

3.0 Main Issues

- 3.1 The under occupation scheme has released 27 family sized homes across the city between August 2008 and January 2009. Table 1 gives a breakdown of the number and size of homes released by the ALMOs/

¹ Managing under occupation - a guide to good practice in social housing, DETR, April 2001

BITMO.

TABLE 1

Property size	5 bedroom	4 bedroom	3 bedroom	2 bedroom	
Aire Valley homes	1	3	7	0	
East North East homes	1	3	4	0	
West North West homes	0	2	3	0	
Belle Isle Tenants Management Organisation	1	0	1	1	
Total properties released	3	8	15	1	27

- 3.2 The cost of the scheme up to January 2009 has been £56,000.
- 3.3 In comparison, the cost of developing new build homes in Leeds, based on figures from 2008 is between £130,000 and £150,000 per unit. To provide 27 newly developed units at the lowest possible price would cost in the region of £3.5M. The properties released through the scheme have been done so at less than 2% of this cost.
- 3.4 The scheme has been successful, but there is a capacity to improve it. There are approximately 150 qualifying customers waiting to be rehoused through the scheme, which suggests the publicity and financial incentive have been successful. In order to maintain the success of the scheme the next steps should involve developing the issues set out below:
- 3.4.1 Customers deciding to move:
Moving house is a major life decision as well as a stressful experience. For customers who have lived in their current homes for many years, often raising their families, moving house carries large amounts of emotion. In order to further develop the scheme there needs to be greater emphasis put on the level of assistance we can offer relating to emotional and practical support. ALMOs currently support applicants with the move. However, the Director of Environment & Neighbourhoods needs to continue to work with the ALMOs/BITMO to develop the level of support offered, and ensure that it is tailored for the particular needs of each customer.
- 3.4.2 Finding appropriate properties for the customer to move into:
Once a customer has decided to move, the ALMO needs to identify an appropriate sized property in an area of the customer's choice. In some cases the customer may prefer a property in a high demand area, which will take time to become available.

4.0 **Implications to Council policy and governance**

4.1 The continued promotion of this scheme and support provided by ALMOs/ BITMO to operate it does not require any changes to the Council's Lettings Policy.

5.0 **Legal and resource implications**

5.1 In 2008 a budget of £300,000 was assigned to this scheme. The £300,000 is held outside the normal annual budgets as a specific reserve. Provision has been made within the 2008/09 budget for the fund to be extended to 2009/10.

6.0 **Conclusion**

6.1 The rehousing of 27 families has been a tremendous success. As a result, we have used these properties to rehouse families in need. There is a high level of interest from those wishing to downsize, and throughout 2009/10 ALMOs/ BITMO will work to release these properties by finding them appropriate accommodation. To achieve this, the ALMOs/ BITMO will need to enhance the level of support they offer.

7.0 **Recommendations**

7.1 That Executive Board:

7.1.1 Note that the scheme has released 27 homes up to January 2009

7.1.2 Approve the continuation of the scheme in 2009/10.

7.1.3 Agree to the Director of Environment & Neighbourhoods working with the Leeds ALMOs and BITMO to increase the level of support offered to customers on the scheme.

BACKGROUND PAPERS

Exec Board June 2008 - Under-occupation of Council Housing