



CITY OF
Lincoln
COUNCIL

Downsizing Incentive Scheme

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Current reality

- Nationally there are large numbers of tenants who are under occupying their current general needs rented accommodation - many are older people occupying family houses whose families have grown up and left home.
- The introduction of the Welfare Reform Act placed a new emphasis on tenants who are under occupying social rented general needs accommodation. From April 2013, an under- occupation charge was applied to under occupying tenant(s) from their benefit equivalent to 14% of the housing benefit eligible rent for one bedroom under occupied and 25% of the eligible rent for two or more bedrooms under occupied families have grown up and left home.
- Due to our current limited housing system, we are unable to quantify how many tenants are under occupying their property. Feedback from Housing Officers suggest that we have many residents wishing to downsize, but they can not afford to.
- We currently have a significant number of families on the waiting list for larger accommodation. For context, only 1 4-bedroom property became available in Q1, with 38 families still waiting. See next slide.
- The increasing energy bills will be made worse for tenants who are under occupying their homes.
- We are receiving less Discretionary Housing Payment Fund year on year and there is a need to move the reliance away from this as a means to pay rent.



Current waiting list – July 2022

Full Housing Register	Ground Floor Need				Non-Ground Floor Need				Total In Each Band
	1 BG	2 BG	3 BG	4 BG +	1 Bed	2 Bed	3 Bed	4 Bed +	
Band One	73	34	6	1	60	38	63	21	296
Band Two	86	23	12	1	60	72	148	6	408
Band Three	145	7	4	0	394	231	64	1	846
									1550
1550 - Active and Allowed to Bid Lincoln									
(429 Transfer cases, 1121 General housing register applications)									
Transfer Only	Ground Floor Need				Non-Ground Floor Need				Total In Each Band
	1 BG	2 BG	3 BG	4 BG +	1 Bed	2 Bed	3 Bed	4 Bed +	
Band One	40	17	1	0	15	11	18	9	111
Band Two	36	14	5	1	13	15	70	1	155
Band Three	42	1	0	0	54	57	9	0	163
									429



Scope of the scheme

The Downsizing Incentive Scheme will be voluntary scheme that offers practical support and financial assistance to help eligible applicants to move. Tenants and qualifying occupiers must apply for the scheme.

To be eligible tenants must be either:

- a tenant who lives in council housing that is now too big for their needs
- a tenant or qualifying occupier who lives in an adapted property and they no longer need the adapted or specialist feature of the house
- a tenant moving into sheltered accommodation.

The aim of the scheme is to help people who want to transfer to a smaller or more suitable house. It will release properties which are in greatest need and are in areas that have the highest demand.

The Scheme aims to help 20 households each year to transfer to more suitable housing.



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Under-occupancy and Lincoln

- CoLC currently manages 7, 599 tenancies
- 290 tenants who are claiming benefits are under-occupying their properties
- We are unable to quantify the number of self funding rent payers who are under occupying.

Of those in receipt of benefits:

- 166 tenants are under-occupying by 1 bedroom
- 114 tenants are under-occupying by 2 bedrooms
- 9 tenants are under-occupying by 3 bedrooms
- 1 tenant is under occupying by 4 bedrooms
- 94 Discretionary Housing Payments (DHP) are being paid to tenants who are under occupying their homes
- 49 of these DHP claimants are in receipt of Housing Benefit are claiming DHP
- 45 tenants in receipt of Universal Credit are claiming DHP
- The total paid in DHP per month is £3,000.

Aims of the scheme

- To make best use of housing stock
- To promote and enable downsizing and provide more manageable homes
- Align with Welfare Benefit sanctions, prevent rent arrears and reduce homelessness
- Enable and support tenants to resolve financial hardship e.g paying the cost of moving
- Reduce number of tenants in receipt of Discretionary Payments
- Reduce number of tenants under-occupying and subject to the 14/25% under occupancy charge
- Reduce void rental loss, particularly for hard to let sheltered accommodation.



Financial incentive proposals

If a tenant qualifies for the scheme, they will receive a basic payment of £1000. In addition, we will pay a disruption payment of £400 for removal costs and £250 for each bedroom that a tenant gives up. For example, if tenant moves from a four bedroom house to a one bedroom house they will be entitled to:

Basic grant	£1,000
Plus disruption allowance	£400
Plus (£250 per bedroom given up)	£750
Grant awarded	£2,150

The main grant will only be paid once the tenant has signed for the new tenancy and ended their former tenancy. If any rent arrears, rechargeable repairs or debts outstanding to the council, this will be taken from the grant before the tenant is paid.



Eligibility

How do tenants qualify?

- Are under occupying their present accommodation
- Has a clear rent account. If an applicant does have rent arrears, the Service Manager can exercise discretion if there has been continued payments to reduced the balance
- Has no history of category of ASB in the last 12 months
- Has kept their current property in good repair, with a clear and tidy garden
- If a tenant is moving from general needs accommodation into shelter accommodation, they would be eligible for the basic grant and disruption allowance
- If a tenant requires adaptations and we identify a property already adapted, they would qualify for the scheme
- Must have kept to the terms of their tenancy agreement for the last 12 months
- Tenants must allow the housing repairs service to carry out any repairs (that can reasonably be carried out) before the tenancy is terminated.
- Applications will be processed on a first come, first serve basis due to funding



Downsizing through a Mutual Exchange

It is recognised that Mutual Exchanges provide a cost effective solution to help tenants move to more suitable accommodation.

Tenants will be eligible for the scheme if they are downsizing through a mutual exchange from one COLC to another.



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Help Moving

We acknowledge that moving can be a stressful and often difficult time for tenants. if assistance is required to move to another property, we can offer help with:

- arranging removals
- arranging disconnection and reconnection of services
- refitting carpets
- decorating
- three 'free' hours labour provided by a handy man to help tenants settle into their homes
- the cost of carrying out any or all of the above would be taken from the lump sum and the balance paid to the tenants.



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Outcomes desired

- Better use of housing stock
- Vulnerable customers in oversized properties will have assistance to move
- Sheltered accommodation with lower demand will be made better use of
- To promote and enable downsizing and provide more manageable homes
- Align with Welfare Benefit sanctions, prevent rent arrears and reduce homelessness
- Enable and support tenants to resolve financial hardship e.g paying the cost of moving
- Reduce number of tenants in receipt of Discretionary Payments
- Reduce number of tenants under-occupying and subject to the 14/25% under occupancy charge
- Reduce void rental loss (particularly for hard to let sheltered accommodation).

Measuring Success

- ***The number of tenants downsized as a result of the scheme***
- ***The number of bedrooms released***
- ***The reduction in number of tenants receiving DHP***
- ***The monetary saving to tenants through downsizing.***



Risks

- A potential increase in the number of voids properties and a detrimental impact on void performance. In order to tackle this, tenants will be required to allow HRS to carry out any reasonable repairs, before the move takes place
- The management of this scheme will take a significant amount of resourcing and will have to be carried out by the Housing Officer with the support of the Tenancy Sustainment Team where necessary.



Further considerations

- Is a downsizing scheme still relevant?
- Should a dedicated resource be in place to manage and promote the scheme?
- Are the incentives appropriate?
- Should the incentives offer more/less?
- Which groups are a priority – 4 bed properties, older persons households any others?
- Further research / consultation needed?

