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| 1. | Meeting | The Cabinet |
| 2. | Date | 19th June 2013 |
| 3. | Title | Downsizing Policy |
| 4. | Directorate | Neighbourhoods and Adult Services |

5. Summary

The Welfare Reform Act 2012 introduced a range of changes that will have a significant impact on people’s lives, on rental income to RMBC, and on Rotherham’s wider economy. Extensive work has been carried out by teams across the Council to prepare for the changes, and detailed reports have been provided to Rotherham Partnership and Cabinet. The purpose of this report is to seek approval to implement a Downsizing Policy to support tenants who are affected by the Social Housing size criteria (‘bedroom tax’)

The report has been considered and agreed by Cabinet Member for Safe and Attractive Neighbourhoods on 20th May 2013.

6. Recommendations

THAT CABINET:

- Agree to implement the Downsizing Policy (Appendix A – Downsizing Policy)
- Agree that Cabinet Member for Safe and Attractive Communities should receive a review of the effectiveness of the new policy in April 2014

7. Proposals and details

7.1 Introduction

The Welfare Reform Act 2012 introduced a range of changes that will have a significant impact on people's lives, on rental income to RMBC, and on Rotherham's wider economy. Extensive work has been carried out by teams across the Council to prepare for the changes, and detailed reports have been provided to Rotherham Partnership and Cabinet. The purpose of this report is to seek approval to introduce a new Downsizing Policy which includes housing assistance incentives to support tenants that are under occupying their Council home to downsize.

Social housing size criteria or 'bedroom tax' (implemented April 2013): Tenants who under-occupy their home by one bedroom face a 14% reduction in housing benefit, whilst those under-occupying by two bedrooms or more face a 25% reduction. This will affect 4,384 households in Rotherham, of whom approximately 3,600 are council tenants.

7.2 Downsizing Policy

Moving house is a daunting experience for most tenants, particularly those who are vulnerable. We have operated a successful downsizing scheme for some time but the emphasis has been upon supporting older people to move from family size houses to smaller flats or bungalows. A Downsizing Officer is in post to oversee the process and support is made available with respect to advice, packing, and actual physical help with removals where required, at an approximate cost to RMBC of £200 per move.

With the introduction of bedroom tax we anticipate a much larger volume of people needing to move to smaller accommodation.

Through this report we are seeking approval of the following:

- Implement a new Downsizing policy - please see appendix A

The Cabinet Member for Safe and Attractive Neighbourhoods agreed (20th May 2013) to implement a series of other supportive actions to assist tenants and if appropriate avoid the need to downsize.

A thorough review will be required of progress against the Downsizing Policy. This will be produced in March 2014, and it will clearly set out outcomes and outputs, take account of further impacts of welfare reform, and make recommendations for further funding provision in 2014/15.

8. Finance

Financial implications have already been agreed by Cabinet Member for Safe and Attractive Neighbourhoods (20th May 2013) to support downsizing. A budget of £50K has been agreed to provide practical support to people who need to move to a home with fewer bedrooms.

9. Risks and uncertainties

Risks associated with failure to provide an effective response approach to the need to downsize include:

- Increasing poverty
- Increasing gap between most and least deprived areas
- Loss of rental income to the Housing Revenue Account
- A possible drop in performance on certain indicators including income collection and void repair costs / relet times
- A potential increase in homelessness due to evictions
- Increasing personal debt as some tenants may resort to high interest and illegal lenders, possibly leading to increasing crime levels
- Increasing costs to the NHS as a result of stress and anxiety which can be caused by debt and threat of eviction and homelessness

Risks associated with approving proposals within this report:

- More people will want to downsize to a smaller home as a result of the bedroom tax, and we may not have sufficient one and two bedroom homes. We will seek to address these changing needs via our local authority new housing programme, Section 106 contributions and through strategic acquisitions. We will also encourage people to consider moving into the private rented sector where this would offer them the best solution.

10. Policy and performance agenda implications

Welfare reform has implications across a range of policy areas:

- Child poverty
- Prevention and early intervention
- Troubled Families initiative
- Deprived communities agenda
- Supporting vulnerable people

The relevant sections of Rotherham's Housing Strategy 2013-16 are:

- Commitment 1: We will deliver Council housing that meets people's needs (including the provision of more one and two bedroom homes)
- Commitment 6: We will help people to access the support they need (particularly those in financial hardship)
- Commitment 7: We will help people in Rotherham's most disadvantaged communities

Rotherham's Health and Wellbeing Strategy has a key strategic outcome on tackling poverty.

11. Background papers and consultation

Background papers

- "Making it fit: a guide for preparing for the social sector size criteria" (CIH, June 2012)
- Report on welfare reform to LSP Board 29th March 2012

- Report on welfare reform to Cabinet on 4th July 2012
- Rotherham Partnership welfare reform and benefit changes impact assessment
- NAS Welfare Reform Act Transition Plan
- DLT report on welfare reform and increasing rent collection resources, March 2013
- Report on Discretionary Housing Payments to Cabinet on 10th April 2013
- DWP guidance on Discretionary Housing Payments, April 2013

Appendices

- Appendix A: Downsizing Policy

Consultation

- Extensive consultation and communication has been carried out with Rotherham residents, Elected Members, RMBC staff and partner agencies, and colleagues in various teams have been consulted on this report.

12. Contact name

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Appendix A – Downsizing Policy

People may wish to downsize for the following reasons:

- (1) Because they are affected by the bedroom tax
- (2) Because they need to move from a larger house to a smaller house, a ground floor flat or bungalow

The Allocation Policy

We will continue to award the highest possible status (Priority Plus / Emergency) for reason 2 and this will extend to housing association secure tenants.

Council and RSL tenants who are affected by the bedroom tax (reason 1) will also be awarded Priority Plus/ Emergency status to move to a property with fewer bedrooms. This is regardless of the type of property or how many bedrooms their current property has, the policy applies in all cases where the new home will have at least one less bedroom than the present home.

This policy will apply to existing secure council and housing association tenants who are under occupying their home.

Council tenants (only) who have rent arrears will not be prevented from moving, but a signed agreement will be made to transfer the arrears to their new property.

Where there have been other tenancy breaches that would usually prevent a transfer from taking place, every effort will be taken to address these as swiftly as possible. Cases where breaches haven't been rectified will be considered on their merits and refusal to allow downsizing will be ratified by the Housing Assessment Panel

It will be mandatory for Council tenants to sign a Direct Debit Form to pay their rent (where applicable) before and after the move, assistance can be given where necessary to ensure that the tenant is able to open a bank account.

Support to enable downsizing

The councils under occupying officer (formally called downsizing officer) will provide practical support to existing (Council Tenants only) who need to move to a smaller home where it is clear that they could otherwise not afford the costs. This could include the following forms of support:

- assistance with packing,
- removal, reconnection of utilities etc.
- assistance to provide space saving measures.
- Money advice referrals
- Practical help including financial help depend upon a financial assessment.

They will have an open and honest discussion with affected tenants which will involve explaining and discussing all the available options including:

- Making up the shortfall from benefit or other income
- Transferring to a smaller property within Council stock or with another social landlord
- Swapping homes via a HOMESWAPPER as a mutual exchange may provide a quicker route to a smaller home
- Moving to a smaller home in the private rented sector
- Paying for space saving equipment / storage furniture, or partition walls / screens where appropriate

Tenancy checks will be carried out by the Housing Champion on each transfer application as soon as possible so that issues can be identified and addressed as early as possible to prevent delays.

Where Council tenants wish to downsize to a smaller private rented home and where it is clear that they could otherwise not afford the costs we may consider covering the rent deposit and rent in advance.

Associated downsizing costs up to the maximum value of £250 may be met by the Downsizing budget, however not all cases will need the maximum amount, and the downsizing budget may not always be available.