

REPORT TO: HOUSING COMMITTEE - 11TH FEBRUARY 2013

REPORT ON: HOUSING INCENTIVE SCHEME

REPORT BY: DIRECTOR OF HOUSING

REPORT NO: 50-2013

1. PURPOSE OF REPORT

- 1.1. Welfare Benefit changes being implemented from April 2013 will restrict Housing Benefit entitlement for tenants who under occupy their homes. This report sets out details of a Housing Incentive Scheme which could be introduced to mitigate the impact of the housing benefit changes for tenants who are under-occupying larger properties by enabling them to move to smaller houses or flats. The scheme would also release larger homes for those on the waiting list who require these.

2. RECOMMENDATIONS

- 2.1. It is recommended that Committee approve the introduction of the Housing Incentive Scheme on the basis set out within this report subject to an evaluation of the outcomes from the scheme after the first year of its operation (2013/14).

3. FINANCIAL IMPLICATIONS

- 3.1. It is estimated that the Scheme will require resources of £30,000 to enable 20 participants to move during the initial year of the operation of the Scheme, 2013/14. This expenditure can be met from the Housing Department's 2013/14 Revenue Budget.

4. MAIN TEXT

- 4.1. Welfare Benefit Reform and Housing Benefit changes from April 2013 will reduce entitlement to Housing Benefit for social rented tenants who have more bedrooms than they need. For households who have one extra bedroom the eligible rent will reduce by 14%, for households with more than one extra bedroom the eligible rent will reduce by 25%.
- 4.2. The Council has around 320 working age tenants who claim Housing Benefit who are under-occupying by 2 bedrooms who will potentially be affected by the Benefit changes.
- 4.3. The Housing Need Demand and Affordability Study (Craigforth 2009) showed that the most acute housing need in Dundee is for social rented properties containing 3 bedrooms or larger.
- 4.4. A Housing Incentive Scheme could be introduced to encourage tenants who are under-occupying larger properties to move to smaller houses or flats to release larger homes for those on the waiting list who require these. This is a policy initiative which has already been adopted by other local authorities and housing associations.

Housing Incentive Scheme

- 4.5. The Scheme would be targeted at Dundee City Council tenants who are under-occupying their homes by two bedrooms or more (properties containing 3 bedrooms or more) who require to move to smaller Council or Housing Association properties due to extreme financial hardship, following the welfare benefit changes, e.g. receiving Discretionary Housing Benefit payments. Under such circumstances tenants would be receiving housing benefit and requiring further financial assistance with housing costs.
- 4.6. It is expected that tenants will be maintaining their current tenancy conditions to be considered for participation in this Scheme.
- 4.7. Under the Housing Allocations Policy an award of 70 points for under-occupying by two bedrooms or more will be made.
- 4.8. Tenants opting to move under the scheme would not retain any preserved right to buy.
- 4.9. In order to encourage tenants who currently under occupy larger homes to downsize it is proposed tenants can choose from the following package of incentives. These services will be provided by the Council. The Council will not pay a monetary equivalent.
 - Packing and removal to the tenant's new home
 - Disconnection and reconnection of kitchen appliances (cooker and washing machine).
 - Provision of floor coverings.
 - Advice and assistance to assist the tenant to deal with the move.
- 4.10. A maximum limit of £1,500 will apply to the package of incentives offered from the list above.

5. POLICY IMPLICATIONS

- 5.1. This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6. CONSULTATIONS

- 6.1. The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services and all other Chief Officers have been consulted on the preparation of this report. No concerns were expressed.

7. BACKGROUND PAPERS

- 7.1. None.

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DIRECTOR OF HOUSING

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