

For publication

Review of the Tenants Incentive Scheme

Meeting:	Cabinet
Date:	4 th February 2020
Cabinet portfolio:	Cabinet Member for Housing
Report by:	Liz Cook, Assistant Director, Housing.

For publication

1.0 Purpose of report

1.1 To seek approval of the revised Tenants Incentive Scheme.

2.0 Recommendations

2.1 That Cabinet approve the implementation of the revised Tenants Incentive Scheme from the 1st March 2020.

2.2 That Cabinet approves the policy documentation shown at Appendix A. The new scheme will supersede all previous arrangements.

2.3 That Cabinet approves the Communications and Marketing Plan shown at Appendix B.

2.4 **That Cabinet agree that the scheme is reviewed as required subject to significant legislative change or every 2 years.**

3.0 **Report details**

3.1 Chesterfield Borough Council has had a Tenants Incentive Scheme in place since 2006; that scheme offered payment packages depending upon the number of bedrooms that were released.

3.2 The scheme was reviewed in 2010 where additional support packages were introduced in response to emerging issues; this included where tenants were required to meet their health and well-being needs to prevent the requirement for adaptations or where the adaptation was not possible, and where a tenant has succeeded to a tenancy of a property which was inappropriate in type or size.

3.3 A further review was considered by Cabinet on the 18th December 2012. This made further amendments to the aims of the scheme and the payment packages.

3.4 Since the review in 2012 there have been significant legislative and social policy changes that have affected our tenants and applicants; these include the introduction and roll out of Universal Credit and the Homelessness Reduction Act 2017. These changes have had an impact on considerations we need to take to support applicants when they are being housed to ensure affordability and suitability of the homes offered.

3.5 The overall objective of the Tenant Incentive Scheme is to support tenants to move to a home that better meets their needs, ensure we make the best use of our housing stock. By ensuring tenants access homes that meet their needs we aim to maximise the length of tenancies creating stability for families and communities. The scheme will support tenants to move into the right size homes, so their welfare benefits

match their rent liability. Changes to the welfare benefit system have meant that tenants who significantly under-occupy are at greater risk of rent arrears.

3.6 In investing in a Tenants Incentive Scheme there are additional benefits and savings to the Council and overall public purse. The scheme will support delivery of other Council priorities including positive health and well-being impacts, stability in communities and reductions in inequality by providing support to vulnerable people.

3.7 In designing the scheme and undertaking the review benchmarking has been done with similar Local Authority Schemes.

3.8 Following the review, a Tenants Incentive Scheme Policy Document has been produced and is attached at **Appendix A**.

3.9 Overview – Tenants Incentive Scheme

3.10 Proposed payment packages:

- A - £2,500 where a tenant moves from a family home into smaller accommodation.
- B - £1,250 where we are unable to adapt a tenant's property and the tenant moves into more suitable accommodation.
- C - £1,250 in succession cases payment of £1,250 will assist a move to alternate suitable accommodation.
- D - £500 in mutual exchange cases, for tenants who are downsizing.

3.11 The proposed payments amounts are fit for purpose to enable the scheme to operate effectively and favorably benchmark with similar Local Authority Schemes.

3.12 Proposed support packages

The support to be offered includes:

- Direct matching to alternative accommodation

- Help to arrange removals
- Arranging disconnection and reconnection of services
- Arranging re-fitting carpets
- Paying off rent arrears

3.13 Costs associated with this support will be deducted from the payment package allocated.

3.14 To ensure effective take up and use of the scheme a communications and marketing plan to actively promote the scheme and maximise its use has been developed and is attached at **Appendix B**.

3.15 This targeted approach will include:

- Development of a clear and transparent leaflet
- Detailed page on the council website explaining the scheme and how to apply
- Targeted mailshot to tenants currently under occupying who might benefit from the scheme
- Briefing for staff and members to enable referrals to the scheme to be made at the appropriate time
- Production of case studies and a video of a completed case posted on the council's social media and web pages.

4.0 **Financial Considerations**

4.1 The allocated budget for the scheme each year is £101,000. Current demand for the scheme has resulted in uptake and expenditure against the budgeted amount. In the previous two financial years the scheme has assisted 45 households. The active Communications & Marketing Plan will support take up and will deliver tangible savings across a range of Council expenditure.

4.2 Indicative costs include the average cost void property in 2019/20 was £2,276 and the average cost of a homeless application is between £5,000 and £6,000.

4.3 Chesterfield Borough Council currently has 532 tenants that continue to be affected by the under-occupancy charge which pose a considerable risk to the sustainability of those tenancies and targeted support will be offered through this Scheme.

4.4 Demand for the scheme will be managed within the budget.

5.0 Risk management

5.1 The main risks associated with the proposals are shown in the table below:

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Households occupying properties that are too large and do not meet their housing need.	High	Medium	The scheme enables mobility within housing stock to ensure people accommodated according to need.	Medium	Low
Increase in rent arrears/rent loss	High	High	By accommodating households according to need and affordability the risk of rent arrears accruing is reduced resulting in fewer evictions and a maximisation of rental income for the council	Low	Medium
Increase in families becoming homeless.	High	Medium	By ensuring mobility within the council's stock it will make family homes more available and reduce the	Medium	Low

			possibility of families becoming homeless.		
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6.0 **Equalities Impact Assessment (EIA)**

6.1 An Equalities Impact Assessment has been produced and is attached at **Appendix C**.

7.0 **Recommendations**

7.1 That Cabinet approve the implementation of the revised Tenants Incentive Scheme from the 1st March 2020.

7.2 That Cabinet approves the policy documentation shown at Appendix A. The new scheme will supersede all previous arrangements.

7.3 **That Cabinet approves the Communications and Marketing Plan shown at Appendix B.**

7.4 **That Cabinet agree that the scheme is reviewed as required subject to significant legislative change or every 2 years.**

8.0 **Reasons for recommendations**

8.1 To encourage mobility within our housing stock and ensuring tenants occupy properties that meet their housing need and are affordable to them.

8.2 Reduce rent arrears and maximise rental income.

8.3 Prevent homelessness and increase tenancy sustainment.

Decision information

Key decision number	899
Wards affected	ALL

Document information

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Appendices to the report	
Appendix A	Tenants Incentive Scheme Policy
Appendix B	Communications and Marketing Plan
Appendix C	Equality impact assessment