



<b>Signed off by</b>	Chief Executive
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<b>To</b>	Executive
<b>Date</b>	Thursday, 15 December 2022
<b>Executive Member</b>	Portfolio Holder for Housing and Support

<b>Key Decision Required</b>	N
<b>Wards Affected</b>	(All Wards);

<b>Subject</b>	Social Housing Downsizing Support Scheme
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<b>Recommendations</b>	
(i)	<b>Approval to ringfence £68,240 from the Homelessness Prevention Grant to proceed with a pilot social housing downsizing support scheme.</b>
(ii)	<b>The Head of Housing be authorised, in consultation with the:</b> <ul style="list-style-type: none"> <li>• <b>Chief Finance Officer</b></li> <li>• <b>Strategic Head of Legal &amp; Governance</b></li> <li>• <b>Executive Member for Housing &amp; Support</b></li> <li>• <b>Deputy Leader and Executive Member for Finance &amp; Governance</b> <ol style="list-style-type: none"> <li>a) <b>To continue with the scheme if successful after the 12-month pilot period and continue to fund from the annual Homeless Prevention Grant subject to the Grant being available.</b></li> </ol> </li> </ul>
<b>Reasons for Recommendations</b>	
This scheme will enable the Council to assist under-occupying social tenants to downsize into more affordable properties. Large properties are in urgent demand and each void will be used to house homeless households, thereby releasing temporary accommodation and allowing movement out of expensive nightly paid emergency accommodation.	
<b>Executive Summary</b>	

A shortage of family sized social housing is creating a costly backlog in temporary and emergency accommodation, hampering the Council in discharging its homelessness duties and leading to long waiting times for applicants on the housing register.

As pressures on both the homelessness system and housing register increase, this situation is set to deteriorate further and additional targeted intervention is required.

Many existing homes in this category are currently under occupied, presenting an opportunity to reallocate them through downsizing.

The Housing Team is seeking approval to conduct a 12-month pilot scheme to enable 10 such occupants to downsize into smaller social rented homes, benefitting them and also the homeless households the released properties will subsequently be allocated to.

This workstream requires a budget of £68,240 to be ringfenced from the Homeless Prevention Grant and delivers on Action 10 of the Homelessness Strategy Action Plan 2022-2027: Investigate ways to assist and / or incentivise social housing tenants under occupying larger family homes to downsize.

**Executive has authority to approve the above recommendations.**

### **Statutory Powers**

1. In accordance with homelessness legislation, Part 7 Housing Act 1996 (as amended), the Council has a statutory duty to provide suitable accommodation to homeless households whose homeless application is accepted. Housing is also required to provide households with emergency accommodation whilst their application is investigated and, if accepted, until they are housed.
2. Additionally, local housing authorities are required to set up and maintain an allocations scheme under Part 6 of the same Act. Section 20 of the statutory guidance 'Providing social housing for local people' (2013), is clear that housing authorities should assist in tackling under-occupation, for example allowing tenants to move if they wish to downsize to a smaller social home.

### **Background**

3. The combined impact of rising goods and energy prices, inflation and cost of living pressures following the Covid-19 pandemic and the invasion of Ukraine is far-reaching. This has led to increased demand on the homelessness and housing allocation systems.
4. The housing team recorded 326 homeless approaches in quarter 1 of this financial year, rising to 370 in quarter 2. Of these, 145 were related to affordability in quarter 1, and 183 in quarter 2.
5. Raven Housing Trust's income team report that an increasing number of tenants are falling into rent arrears with many struggling to pay even a minimum amount towards them in a repayment plan.

6. The number of households in nightly paid emergency accommodation has risen to above 40 and shows no sign of reducing. The number of households accepted onto the housing register is rising. During the first half of this financial year an average of 46 applicants per month were accepted onto the waiting list, whilst the average number of allocations to social housing has been 23 each month. The list will continue to grow and waiting times increase.
7. There is a shortage of larger social rented family accommodation in particular, with over 100 such homes required just to discharge the Council's current homelessness duties.
8. Delivering a project to facilitate under occupying social housing tenants to downsize will meet a Homeless Strategy objective to assist the Council to manage the costs of using emergency accommodation. Facilitating under-occupiers in social housing to downsize will not only benefit them financially, it will also release much needed family sized accommodation for homeless households in temporary accommodation, and in doing so reduce the need for nightly paid emergency accommodation. The net cost to the Council for a family in EA ranges from £175.39 to £490.39 per week.

## Key Information

### Register waiting times and numbers of under occupiers

9. Demand for family sized (2 bedroom plus) social housing within the borough is extremely high. Almost 700 households (of the over 1200 on the register) are waiting for this accommodation in register bands A-D (waiting list & transfer list combined), and over 100 further such properties are required in order to discharge the main homelessness duty owed to those Band H homeless clients currently in temporary accommodation.

	Bands A-D	Band H
Requiring 2 bedrooms	400	50
Requiring 3+ bedrooms	300	50
Total	700	100

10. Supply of these larger properties, however, is very limited. During the financial year 2022-23 Housing have so far received just over 100 for allocation from registered providers (80 x 2 bedroom and 20 x 3+ bedrooms). This number includes the 16 x 2-bedroom properties let at Wheatley Court.
11. This shortage leads to several issues. Without sufficient suitable voids in the permanent stock to move households out of temporary accommodation, a blockage is created and the number of nightly paid emergency bed and breakfast accommodation placements rises, at significant cost to the Council. This in turn contributes to a shortage of local emergency accommodation options for newly homeless households, meaning vulnerable people must sometimes be placed further afield, away from friends, family and other support networks.

12. It also means that average waiting times are long for those on the register, leaving many households in crowded or otherwise unsuitable accommodation. Latest waiting list data shows the following approximate waiting times (figures are years / excludes transfer list and sheltered lets):

	Band A	Band B	Band C	Band D	Band H
Requiring 2 bedrooms	1.5	1	3	4	2.5
Requiring 3 bedrooms	1.5	1.5	5	n/a	4

13. Unfortunately our expectation is that these waiting times will increase, for a variety of reasons. Household finances are being severely stretched by the current cost of living crisis. Availability in the private rental market is diminishing as many landlords choose to sell, either due to higher taxes, the cost of living or concerns around future legislative changes. Market rents are increasing with no corresponding raise in benefit payments, rendering this sector unaffordable for many. There may also be a reduction in social housing stock as registered providers work towards net zero carbon targets. These and other factors are likely to drive an increase in homelessness levels as well as general applications to the housing register, leading to longer waiting times for all.
14. Critically, many existing larger social homes are under occupied by residents with lifetime tenancies. Many have lived in their homes for long periods of time, perhaps raising families there. As a result of their under-occupation, they may face higher than necessary rents and household bills. Some are also affected by the under-occupancy charge or 'bedroom tax'. Downsizing to a smaller social rented property could therefore deliver significant benefits to them as individuals.
15. Some under occupiers are looking to downsize and have registered with the Council to do so. Downsizers are awarded high priority band B on the transfer list, reflecting the importance to us of obtaining these larger homes. There are currently 45 active applications in this category (21 in 2 bedroom homes, 16 x 3 bed, 3 x 4 bed, 5 x to be confirmed). Raven Housing Trust operate a similar list which provides details of more than 50 of their own tenants who have registered their interest in downsizing (only 7 of the 45 on our own list are duplicated on the Raven document). Looking more broadly, Raven have approximately 750 3 bedroom or larger homes that are occupied by 3 people or less (over 80% of these contain no children under age 16). They also have over 1,000 2-bedroom properties with only 1 or 2 occupants (over 75% of these contain no children under age 16). Other potential downsizers may be identified via external agencies such as the CAB and Health partners.
16. Housing therefore understands the need for these large social homes and there are households who could or are potentially willing to vacate them. To date, the actual downsizing rate has been frustratingly low, with little resource available to invest in unpicking and improving this. Since June 2021 only 2 households identified as downsizers on the Council's transfer list have successfully downsized.

## Proposed approach

17. Given the pressures described above, the Housing Team believes tackling this problem in earnest should now be prioritised. A 12-month pilot scheme with the aim of releasing 10 larger social rented properties through downsizing is proposed. These properties will be allocated to Band H homeless households, currently 'blocking' temporary accommodation. Undertaking the pilot against the background of the cost of living crisis may work to our advantage by making a cost-saving move particularly attractive to under occupiers.
18. Housing have recently conducted in-depth qualitative telephone interviews amongst approximately 20 potential downsizers from our transfer list. This has enabled us to understand their real intentions, motivators and the barriers which have prevented them from moving to date. Other local authority housing teams in Surrey have also been consulted on their experience and work in this area.
19. This preparatory research and our inherent knowledge of our housing register applicants has enabled us to develop a tailored downsizing offer which Housing believe will give us the maximum chance of influencing potential downsizers to accept a nomination to a smaller property. Whilst the team are confident that some may be interested, it is important to acknowledge that others will remain unswayed and choose to stay in their homes.
20. The offer constitutes the following, where required:
  - a packing and removals service which includes disposal of unwanted items, furniture disassembly and reassembly (if necessary to facilitate the move this service will be gifted)
    - difficulty organising a move was one of the main barriers to downsizing identified in our research
  - support of a personal assistant, who will be responsible for ensuring that moves go smoothly for residents by, for example, liaising with removers, setting up utilities and assisting with benefit claims
    - the idea of an experienced and friendly person in authority supervising the move was well received by prospective downsizers in our research and is likely to help convince some to progress their moving plans
  - access to 'DIY' type assistance in the new home, for tasks such as putting up shelves or connecting appliances (proposed gifted limit is 5 hours over the initial 3 months)
    - this again tested well in research
  - a one off 'home setup payment' intended to be spent on the setting up of the new home. This will be £1000 per bedroom released, up to a maximum of £3000
    - the cost of setting up a home was a clear barrier in our research. Properties are generally let without carpets and curtains, with

replacement furniture often required. This payment is intended to ease this financial burden for low-income households.

21. This is the level of support the Housing Team believes will be required to achieve our downsizing pilot objectives.

### **Resources**

22. The project will require the recruitment of a new post on a 12-month fixed term, part-time (18h/pw) basis. The new 'Underoccupancy Transfer Officer' will be responsible for delivering the pilot, including:
- identifying potential downsizers and gaining their trust, explaining to them the realities of social housing availability and the likely need to compromise versus expectation
  - creating necessary explanatory communications materials and general documentation
  - matching downsizers to available properties
  - organizing/supervising moves in their capacity as 'personal assistant' to the resident
  - establishing relationships with external suppliers such as removals companies and relevant tradespersons
  - contributing to the development of any future downsizing scheme

### **Policy considerations**

23. Our intention is to make 'direct lets' of suitable smaller social rent properties to downsizers, rather than advertise in the usual way via HomeChoice. Section 9.4 of the housing register & allocations policy permits this discretion: "The Council retains the right to exercise its discretion in exceptional circumstances, where in the Council's view a combination of circumstances requires a direct let or a sensitive let or a property to be withdrawn from advertising or where a direct let will bring a household's prevention or relief duty to an end. A record of the decision and reasons for exercising the discretion will be kept on file."

### **Pilot evaluation**

24. Progress against the pilot objectives will be monitored throughout the 12-month period. The overall success of the scheme will be assessed in terms of the number of households that downsize and by examining take up of different elements of the offer to understand the most effective support. Customer feedback will be gathered and the impact on timescales for homeless households will be analysed. If successful, the Housing Team would continue with the scheme to continue to release larger properties subject to the continued availability of the Homelessness Prevention Grant.

### **Options**

25. Option 1 (recommended) – Proceed with the pilot, assist downsizers to move and nominate homeless families in temporary accommodation to these homes, unblocking temporary accommodation and saving on emergency accommodation costs.
26. Option 2 – do not proceed with the pilot, continue to wait for larger homes to become available in the usual way whilst emergency accommodation costs and waiting times increase.

### **Legal Implications**

27. Homes obtained will be used for homeless applicants in the discharge of the Council's homeless duties under the Housing Act 1996 as amended.
28. The pilot aims also reflect adherence and compliance to the requirements under The Homelessness Act 2002 requiring local housing authorities to take strategic responsibility for tackling and preventing homelessness.

### **Financial Implications**

29. The budget required for the pilot is £68,240. This comprises the salary costs for the additional post plus the cost of moving up to 10 downsizers in line with the proposed package of assistance, including home setup payments.
30. It is proposed that the pilot is funded from the annual Homeless Prevention Grant, which is ringfenced to prevent homelessness, therefore no revenue budget growth is required.
31. Each void property created by the scheme will be offered to a homeless household in temporary accommodation, freeing up a vacancy to move a household out of nightly paid emergency accommodation.

### **Equalities Implications**

32. The Equalities Impact Assessment undertaken in connection with this pilot did not identify any potential negative impact for any of the protected characteristic groups.
33. In terms of positive impact, any household who moves home as a result of this initiative could be deemed vulnerable by virtue of their reliance on social housing or the homelessness system. They will all experience improved living circumstances in their new homes. Some, such as older, pregnant or disabled people, may particularly benefit if they can be matched to more suitable homes. They may also gain in particular from the assistance offered with removals and setting up the new home.

### **Communication Implications**

34. The Communications Team is aware of the scheme and Housing will work with them to develop a communications plan and create explanatory communications materials and scheme documentation to communicate with potential downsizers and other target audiences identified.

## **Environmental Sustainability Implications**

35. The pilot scheme proposed relates to occupancy of properties and therefore does not include any substantive work to properties to improve their energy efficiency and reduce domestic carbon emissions, however the proposed assistance element could support residents to make small scale changes to their new home to improve its energy efficiency or reduce energy usage.
36. The scheme will however lead to a reduction in the individual carbon footprints (and energy bills) of individuals who do downsize, via the reduction in unnecessary heating of a larger underoccupied home.

## **Risk Management Considerations**

37. Despite the advantages of downsizing to eligible households, it is possible that some barriers may prove too difficult to overcome and limit our ability to obtain larger properties in some cases. Examples include where applicants are interested only in a very specific location or type of property, or where a move would necessitate rehoming pets. The potential 'pool' of downsizers is sufficient to mitigate this risk.
38. Costs for removals and assistance from tradespeople were obtained during summer 2022 and may have risen/rise during the interim period. The proposed budget allows for 10 x payments of the maximum home setup payment based on each downsizer releasing 3 bedrooms; realistically however a mix of bedroom numbers is more likely to occur. This anticipated saving could therefore be used to accommodate any increase in costs.
39. The success of the pilot will be largely dependent on attracting and retaining the right person for the role. The Housing Team will carefully construct the employment pack, advertise widely, and provide as much relevant training and support as possible to the staff member.

## **Consultation**

40. Executive Members have been consulted and support the proposals.

## **Policy Framework**

41. This project helps to meet Corporate Plan objectives to make the borough a great place to live, work in, do business in and visit. Specifically, it supports the People theme and Housing objective to continue to secure accommodation through the social housing sector to prevent homelessness.
42. The Homeless Strategy Action Plan, part of the Council's Homelessness & Rough Sleeper Strategy 2022–2027: Action 10 specifies that Housing will 'Investigate ways to assist and / or incentivise social housing tenants under occupying larger family homes to downsize'.



<b>Background Papers</b>
None.