

REVIEW OF HOME RELEASE SCHEME

Report of the Director of Housing and Customer Service

1. SUMMARY

- 1.1 On 30 August 2012 the City Board received a report which proposed changes to the current Home Release Scheme.
- 1.2 The City Board agreed that the cash incentive was reduced from £1,000 to £500, and asked the Director of Housing & Customer Service to undertake further work to examine the feasibility of replacing the cash payment with a contribution towards carpets, curtains and decoration.
- 1.3 At the Board meeting on 20 September 2012 Roy Webb asked that we also give consideration to undertaking decorating for elderly tenants releasing a family home and moving to ground floor accommodation.

2. RECOMMENDATION

The Board is recommended to approve

1. Option 1, as agreed by the City Board on 18 October.
2. the decoration option to ground floor accommodation for elderly tenants who are releasing a family home.

3. MATTER FOR CONSIDERATION

- 3.1 A small working group comprising of the Allocations Manager, a Local Housing/Neighbourhood Manager and Senior Accountant were asked to look at the implications of replacing the cash incentive with a scheme that provides assistance towards the cost of carpets, curtains and/or decoration.
- 3.2 The general view of the group was that most tenants seem happy with the current cash payment incentive as this allows individuals the freedom to spend the cash as they wish. The group also felt that this would be the case if the incentive was reduced to £500.
- 3.3 Three options were presented to City Board for consideration
 - continue to provide a cash incentive
 - issue vouchers for tenants to surrender at a number of outlets
 - ask tenants to seek quotes from approved suppliers to the value of the payment due.

- 3.4 The City Board has recommended Option 1, which is to continue to issue home release payments by way of a cash payment up to £500. This is administratively straight forward and does not require a change to current procedures. Any debts are deducted from the home release payment.
- 3.4 Funding for this scheme short term will be from Derby Homes and a request has been made to Derby City Council to have a fund available for this scheme long term.
- 3.5 The City Board considered the request made by Councillor Webb to decorate ground floor accommodation for elderly tenants when releasing family accommodation.
- 3.6 City Board approved changes to the Home Decoration Service to allow elderly tenants moving from family accommodation to ground floor accommodation to have the whole property decorated. Normal phased decoration service to then commence from year three within the scheme. Service charges to apply for the service, currently £4.87 per week.

4 FINANCIAL & BUSINESS PLAN IMPLICATIONS

- 4.1 As a result of the pending benefit reductions as a consequence of under occupation, there is a demand to rehouse high numbers of tenants to more suitably sized accommodation. There are around 2500 working age current tenants on benefits that appear to be 'under occupying' their homes, with around 20% of these 'double underoccupying'. The benefit deductions of 14% and 25% respectively will mean losses of around £11 and £20 a week, next year when the rules come in from April.
- 4.2 The current Home Release fund of £200,000 funded by the HRA for assisting with under occupation moves is now exhausted. The previous scheme funded by the HRA was for £1,000 of compensation to the tenant, plus removal expenses and connection charges being met. In view of the expected huge increase in demand for this service as a result of under occupation deductions, the City Board has agreed to reduce the scheme to £500 plus removals and connections.
- 4.3 We have made a request to Derby City Council that a fund of up to £0.5m be made available for this scheme, as each move of someone to a smaller property will not only free up a family home but also save the tenant (and potentially arrears and bad debts in the HRA) an under occupation deduction of at least £500 a year. In the meantime, Derby Homes can finance these moves from our own resources for this financial year.

5. LEGAL & CONFIDENTIAL

- 5.1 Changes to housing benefit will be phased in from April 2013 under the Welfare Reform Act 2012. Working age tenants will incur a reduction in housing benefit for under occupation from April 2013.

6. EQUALITIES IMPACT ASSESSMENT

Amendments to the Home Decoration Scheme would enable elderly people to move house more easily. Providing full re-decoration at the commencement of the tenancy would increase their ability to maintain independent living without unnecessary worry, work and expense in the early stages of their tenancy.

The areas listed below have no implications directly arising from this report:

Consultation
Council
Personnel
Environmental
Health & Safety
Risk
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

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Background Information: None

Supporting Information: Reports to City Board 30/8/12 and 18/10/12