

HOME RELEASE POLICY

Report of the Head of Operations (Housing Management & Housing Options)

1. SUMMARY

- 1.1 This report provides detail on the review of the Home Release Policy and includes feedback through the recent consultation exercise.

2. RECOMMENDATION

- 2.1 To approve the Policy as reviewed and amended and as attached at Appendix 1.
- 2.2 To approve the proposed uplift to the lump sum payment part of the incentive to reflect that this has been unchanged since 2012.
- 2.3 To approve the extension of the Policy to incentivise people to free up properties by moving to the private sector.

3. REASON(S) FOR RECOMMENDATION

- 3.1 Consultation with customers suggests that the Policy remains fit for purpose. This is also the view of Derby Homes Officers other than we believe the scheme should be extended to incentivise people to free up properties by moving to the private sector.

4. MATTER FOR CONSIDERATION

- 4.1 Derby Homes' Home Release scheme was established by a report to Derby Homes Board in January 2007. This followed a piece of joint research carried out by Derby Homes and Derby City Council into the levels of under occupation within the City Council's housing stock. The report established the Home Release Scheme which aims to free up under occupied properties and therefore make the best use of stock.
- 4.2 The scheme has been periodically reviewed since then and was last reviewed in April 2014 when Derby Homes City Board agreed an amendment that prevented applicants receiving a Home Release payment when they exchanged properties with another applicant who would then become subject to the under occupation charge.
- 4.3 The scheme has remained unchanged since then but has never been laid down in a Policy document. Derby Homes staff have worked to a procedure which has changed in accordance with Derby Homes Board and City Board decisions. This has now been corrected and a Policy document is attached as an Appendix.

- 4.4 Since its implementation, the Home Release Scheme has been successful in releasing a number of properties that are then let to people from the housing register who are living in overcrowded conditions. There have been a total of 88 Home Release payments made since April 2016, totalling £38,327.
- 4.5 The consultation with customers reveals that 68% of respondents had not heard of the Home Release scheme. This is probably because we target the scheme at people we identify as under occupying properties, however this does suggest that we need to do more to publicise the scheme.
- 4.6 The consultation with tenants shows that:
- 60% feel the incentives would be sufficient to persuade them to move
 - 65% were satisfied with the scheme
 - 76% thought it is fair.

This, together with the continuing success of the scheme suggests that the current level of incentives offered is appropriate. When working with tenants on this, experience shows that some people are willing to move provided there is a reasonable incentive, but it is the area and type of property that we are able to offer that is the key factor rather than necessarily the size of the financial incentive. Other people want to stay where they are rather than move and would possibly only move if there were a really large financial inducement.

- 4.7 For these reasons it is recommended that the current scheme is generally fit for purpose. The level of incentive is currently set at £500 plus the cost of removals and any decoration costs. This was reduced from the original figure of £1000 by Derby Homes City Board in August 2012. The 2012 figure of £500 has been fixed since then and not subject to any annual increase. It is proposed to increase the charge in line with annual rent increases (CPI plus 1%) from 2020/21 once the current four year annual 1% rent decrease ends. CPI inflation has been 11% for the period April 2012 to August 2018 and an inflation linked current charge would be £555. It is proposed to apply £560 from the date of this policy to March 2020 after which time annual increases will be in line with annual rent increases.
- 4.8 The demands on Derby Homes and the RSL sector stock to deal with demand for social housing is increasing year on year. For this reason Derby Homes, on behalf of Derby City Council operates a scheme to incentivise and assist applicants on the housing register to find accommodation in the private rented sector. At the moment the Home Release scheme specifically precludes applicants accessing the home release scheme if they are moving to the private rented sector. It is proposed to amend this so that Derby Homes tenants who are freeing up a larger property by moving to a smaller one in the private sector can also access the scheme

5. OTHER OPTIONS CONSIDERED

- 5.1 None

IMPLICATIONS

6. CONSULTATION IMPLICATIONS

- 6.1 An email was sent to 5,200 customers inviting them to tell us what they thought of the current Policy and for them to give us any suggestions they had. There were 39 respondents, of which 35 were tenants and 1 was a leaseholder.
- 6.2 Of the 37 respondents who answered the question, 60% said that if they met the criteria the current incentives would be sufficient to persuade them to move and 22% said they would not, with 19% being unsure.
- 6.3 Respondents also indicated a high level of satisfaction with the scheme generally. Of the respondents 65% (24) said they were satisfied with it, where only 11% (4) said they were not.
- 6.4 The level of satisfaction with the Incentive and policy generally was even more strongly shown by the percentage of people who thought it was fair, 76% (28).
- 6.5 Only 16% (6) respondents were under the age of 45.

7. FINANCIAL AND BUSINESS PLAN

- 7.1 Increasing the Home Release Rate from £500 to £560 would add approximately. £2,500 to the current annual cost of around £40,000 per year for the scheme. This would be a minor budget pressure on the HRA

8. COUNCIL IMPLICATIONS

- 8.1 The Home Release budget is a Derby City Council budget so the proposal to apply an uplift to the lump sum payment will need to be discussed with the City Council.

9. POLICY REVIEW IMPLICATIONS

- 9.1 This is a key policy of Derby Homes and is/will be included in the Key Policy Review Schedule. In accordance with Derby Homes Board Minute 10/51 this policy will be reviewed no later than 3 years from the date of this meeting.

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

Legal and Confidentiality
Personnel
Environmental
Equalities Impact Assessment
Health & Safety
Risk

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

Murray Chapman / Housing Services Manager / 01332 888593 / Email murray.chapman@derbyhomes.org

Background Information: Insert details of any unpublished documents used to prepare your report OR None

Supporting Information: Insert details of any previous reports to Board or Committee OR None

This report has been approved by the following officers:

Managing Director	Maria Murphy	8/10/18
Finance Director/Derby Homes Accountant	David Enticott	2/10/18
Company Solicitor	Taran Lalria	2/10/18
Head of Service (Operational Board reports)	Clare Mehrbani	27/9/18