

TRANSFERS – DISCRETIONARY RENT FREE WEEK

Report of the Director of Housing & Customer Service

1. SUMMARY

This report proposes that the current practise of allowing tenants an overlap and rent free week on transfer is discontinued.

2. RECOMMENDATION

The City Board are asked to approve the proposal, subject to further discussion with Derby City Council.

3. MATTER FOR CONSIDERATION

- 3.1 Where a tenant transfers from one Council tenancy to another Council tenancy it is current practise to allow them a week to move home. The current tenancy commences and rent is due from the tenancy start date, and they are then allowed to retain the keys for their former home for seven days rent free.
- 3.2 Last year, 2010/11 288 (24.02%) of tenancies terminated were due to tenants transferring to another Council tenancy.
- 3.3 The impact of the discretionary rent free week is significant both in terms of our ability to turn empty properties around (void relet) and also in terms of rental income lost.
- 3.4 Currently on a transfer we receive one week notice from the tenant, they are then required to return the keys the following week but the void will start from the day the notice was received. This has the result that by the time the keys are received, the void is already seven days old before any work can commence on the property.
- 3.5 Using last year's figures of 288 transfers this adds up to 2016 days of lost time, converting this to lost rental income at an average rent of £65 per week this amounts to £18,720.
- 3.6 Housing Benefit regulations do allow for benefit to be claimed on two properties for an overlap period where certain criteria apply. However to date Derby Benefits have been reluctant to apply this in respect of Derby City Council tenants due to it being the landlord and administrator of the Benefit claims.
- 3.7 We will discuss this matter further with Derby City Council should the proposal to change the current practise be agreed. However this is a separate Housing Benefit regulation issue and does not change the recommendation

4. CONSULTATION IMPLICATIONS

Further consultation will be required with Derby City Council in relation to this proposal.

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

- 5.1 Managing empty properties is a key performance area for Derby Homes. We are monitored on this by Derby City Council under the Management Agreement. Our current target for 2011/12 is 24 days. Delays in turning properties around increases rent loss, on the figures for 2010/11 it is estimated that almost £19,000 was lost rental income.

6. EQUALITIES IMPACT ASSESSMENT

- Does this report affect the delivery of a service Yes
- Has an Equality Impact Assessment been completed No

An Equalities Impact Assessment will be completed during discussions with Derby City Council.

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

- Legal and Confidentiality
- Personnel
- Environmental
- Health & Safety
- Risk
- Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or Phil Davies, Chief Executive, phil.davies@derbyhomes.org – Phone: 01332 888528

Author: Maria Murphy / Director of Housing & Customer Service / 01332 888522 / Email maria.murphy@derbyhomes.org

Background Information:

Supporting Information: