

OPERATIONAL BOARD

22 September 2022

ITEM A5

HOME RELEASE POLICY

Report of the Head of Housing Management

1. SUMMARY

1.1 This report provides detail on the review of the Home Release Policy and includes feedback from the recent consultation exercise. Prior to consultation, research was carried out by colleagues in Housing Strategy to identify which of the incentives used by other housing providers in their home release schemes are proving effective. The evidence from the research informed some of the questions posed during the consultation.

2. RECOMMENDATION

2.1 For the Operational Board to recommend to Derby City Council - to approve the proposed changes to the Home Release Scheme policy – per Appendix 1, for a 3-year trial period.

3. REASON(S) FOR RECOMMENDATION

3.1 Consultation with tenants suggests that the policy remains fit for purpose, however there is a good business case to suggest that including additional incentives may improve take-up. By encouraging more tenants to move, we will free up much needed larger homes.

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 Prior to 2018 Derby Homes staff worked to a procedure which was periodically reviewed. This was refreshed in 2018 when a policy document was created and approved by the Operational Board.

4.3 During 2020/21, 28 people took advantage of the Home Release scheme which paid out a total of £21,512. In the current climate where there is a general shortage of family homes and the running costs of homes is increasing, we want to be able to support and encourage more tenants to give up much needed larger accommodation and to move to smaller, cheaper, and more easily manageable homes. This will benefit both our current tenants and the customers on the waiting list.

4.4 A questionnaire was sent to the Virtual Panel as well as existing tenants who are currently under occupying their properties asking a few questions relating to the existing Home Release Policy and the newly proposed incentives. The results revealed that 50% of respondents were unaware of the Home Release scheme. This suggests that we need to do more to publicise the scheme in the future.

4.5 The other findings are as follows:

81.3% think that the scheme is easy to understand which is very positive.

We then asked tenants about each of the current incentives listed in the policy and whether they would influence the tenant's decision to move.

- One off payment of £608 – 71% felt this would or could influence their decision.
- A Home Decoration scheme - 71% felt this would or could influence their decision.
- Paid removals - 91% felt this would or could influence their decision.
- Disconnection of cooker and washing machine - 86% felt this would or could influence their decision.
- Reconnection of cooker and washing machine - 86% felt this would or could influence their decision

These results show that the incentives in the current scheme are popular, fit for purpose and worth retaining.

4.6 We then asked tenants for their thoughts on our proposed incentives and whether they would influence their decision to move.

- A sliding scale of incentives - 86% felt this would or could influence their decision. Although our current financial incentive already proves popular, there is more support for a sliding scale of incentives. This would benefit tenants under occupying by 2 bedrooms or more and if successful could free up larger much

needed family accommodation. It would be more costly to the HRA; however, the benefits would outweigh the costs.

- A handyman service - 94% felt this would or could influence their decision
- Removal and disposal of items - 94% felt this would or could influence their decision.
- One off help with decorating - 83% felt this would or could influence their decision.
- Assistance with the applications process- 80% felt this would or could influence their decision.
- Support to find a suitable property- 74% felt this would or could influence their decision. A few comments suggested that we could encourage more tenants to move if we could offer a more tailored service.

The results, together with some of the general comments show that there would be merit in exploring the possibility of introducing additional incentives.

4.7 Following the consultation, work was carried out to understand the feasibility of introducing each of the proposed incentives. The conclusions are as follows:

- A sliding scale of incentives – We would like to implement the new financial incentive scheme subject to approval from Derby City Council (DCC).
- A handyman service – We are not currently able to offer an inhouse service. However, we have identified that DCC do have a scheme available to older residents who meet the criteria. Whilst this would not be available to all the customers who are downsizing, it is worth promoting as it would assist some of them.
- Removal and disposal of items – We would like to offer customers the opportunity to discuss any items that they are struggling to dispose of prior to the move. Where the request is reasonable, we will arrange to dispose of the items free of charge using our Estate Response Officers and the Street Pride service.
- One off help with decorating – We would like to offer all customers that are eligible for the scheme the opportunity to have their new home fully painted throughout. The aim would be to complete the works prior to the customer moving into the property. However, where this is not possible, arrangements will be made to complete the works once the move has taken place. The service would be provided by an existing contractor.

- Where customers express the desire to carry out their own decoration, we would propose offering them homes decoration vouchers up to the value of £500.
- Assistance with the applications process - We want to introduce this additional service within the scheme. One to one support can be provided by the Homefinder Registration team.
- Support to find a suitable property – We would like to introduce a more bespoke service to customers who need it through the expertise of the allocations team. We believe this will improve the service to tenants that express an interest to downsize as well as freeing up larger properties.

5. OTHER OPTIONS CONSIDERED

5.1 None

IMPLICATIONS

6. CONSULTATION IMPLICATIONS

- 6.1 The consultation was sent to the Virtual panel as well as to Derby Homes Customers who are currently under occupying their properties. 225 customers received an e-mail inviting them to tell us what they thought of the current policy. We also asked them for their thoughts on new incentives and whether they had any other ideas about how we could encourage tenants to downsize. 158 people (70.85%) opened the email, we received a total of 36 responses to the survey.
- 6.2 From the people who responded we had demographic information relating to 19 of them. Of those, 63% were female and 37% were male. 37% were over the age of 60, 47% were between 40 and 60 and 16% were under the age of 40.
- 6.3 The results of the survey can be found in appendix 2. They have been analysed in the report.

7. FINANCIAL AND BUSINESS PLAN

- 7.1 Based on the 2020/21 number of 28 tenants using the scheme, changing the Home Release rate to between £500 and £2,000 depending on the numbers of bedrooms released would add approximately £4,500 to the current annual cost of around £21,500 per year, taking the costs to £26,000 a year. However, we would hope that the additional incentives would release more properties and would therefore estimate the increased costs to be in the region of £35,000. This would be a budget pressure on the HRA.

- 7.2 Assuming that with the additional incentives, around 60 tenants a year may opt for the scheme, there will also be an additional cost of £30,000 a year to provide home decoration vouchers to the 60. There will also be a small cost attached to the disposal of items in circumstances where we must enlist the help of Street Pride. This would only be in connection to a small number of properties. Costs are estimated at £5,000 annually. These costs would also fall on the HRA.
- 7.3 Therefore, the total costs to the HRA will be in the region of £75,000 which is an additional £48,500 a year. There would be no additional income to the HRA, as the properties are currently already rented.

However, the purpose of the scheme is aimed at housing people in appropriately sized accommodation and freeing up much needed family homes in Derby. Enabling “move on” to appropriate accommodation will have an indirect benefit ultimately for those customers in temporary accommodation and / or bed and breakfast. In comparison to the cost of building / acquiring properties for these customers, the cost of the Home Release incentive is deemed to be good value in comparison.

Additionally, given demand of properties currently outweigh supply and there is a major shortage of larger properties and available land in the city, this adds to the reason to provide suitable incentives to release under occupied properties.

To fully establish whether this scheme would prove cost effective, we propose running the scheme with the additional incentives over a 3-year trial period. The impact would then be assessed in line with the next policy review.

8. COUNCIL IMPLICATIONS

- 8.1 The cost of the Home Release incentive is a Derby City Council – HRA cost. So, any variation to the current incentives, resulting in additional costs, will need to be discussed and approved 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.

10. EQUALITIES IMPACT ASSESSMENT

- 10.1 An Equalities Impact Assessment has been completed (appendix 3).

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

Legal and Confidentiality
Personnel
Environmental
Health & Safety
Risk

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

Lorraine Testro / Head of housing Management / 01332 888675 / Email Lorraine.testro@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	09.09.22
Finance Director	Michael Kirk	26.8.22
Company Solicitor	Taran Lalria	13/09/2022
Head of Service (Operational Board reports)	Clare Mehrbani	