



Downsizing Policy

Responsible Director: Director of Homes and Wellbeing

Responsible Manager: Head of Homes and Wellbeing

Last updated: November 2019

Next update: November 2022

B10 Downsizing Policy

1. Purpose

- 1.1 Nationally there are large numbers of tenants who are under occupying their current general needs rented accommodation - many are older people occupying family houses whose families have grown up and left home.
- 1.2 Due to the high demand for NCHA properties over the past 5 years, there has been a steady decline in the opportunities for customers to move home. Turnover of properties within NCHA for example, has been reducing year on year as customers stay longer in their homes. This trend has also been experienced with the number Mutual Exchanges, also reducing year on year. The revamping of the Transfer policy means that customers that are most in need, are now likely to be the only customers to be able to move home through this process.
- 1.3 The introduction of the Welfare Reform Act placed a new emphasis on tenants who are under occupying social rented general needs accommodation. From April 2013, an under occupation charge was applied to under occupying tenant(s) from their benefit equivalent to 14% of the housing benefit eligible rent for one bedroom under occupied and 25% of the eligible rent for two or more bedrooms under occupied.
- 1.4 The aforementioned changes prompted NCHA to assess the impact on customers and their ability to move home where they are living in properties much larger than can manage or need.
- 1.5 Given these requirements there was a need to introduce a system of incentives to facilitate downsizing moves for NCHA customers in order to make best use of our housing stock and to facilitate opportunities for customer's to be able to move home.

2. Risks

The key risks associated with this policy are:

- The cost of not making best use of housing stock in a market where social rented housing is in short supply.
- The prospect of losing a considerable amount of rental income if NCHA tenants who under occupy cannot pay the under occupation charge.
- the knock-on effect on NCHA's income team if current and former tenant arrears are rising

3. Process

- 3.1 The downsizing policy will operate in the following way:
- 3.2 NCHA will publicise information on Welfare Reform in LINK magazine and on the website. Where tenants seek help with downsizing the Admin Assistant (Allocations) will note their details on Open Housing, the Housing Management database and send information relating to their options for moving, e.g. registering on Homeswapper for a mutual exchange, bidding for a smaller property under their local choice based lettings system or applying for a transfer and making use of incentive payments to encourage downsizing, where they apply.
- 3.3 The information pack will include application forms and further details of these options for moving. Customers who wish to transfer to a smaller property will be advised to register with their local authority choice based lettings system. A transfer form will be completed. Mutual exchange applications will be processed in the usual way by the Estates Team.
- 3.4 Estates staff that have customers who wish to transfer into smaller accommodation owned by NCHA will advise them and complete the transfer form in the usual way. The form will be passed to the Allocations Assistant and will be authorised as a Priority Transfer by the Service Manager (Allocations and Estates).
- 3.5 The Allocations team will work to identify suitable smaller properties to transfer under occupiers into by looking at weekly tenancy termination lists. They will keep a transfer file on the system containing completed forms and a list internally in date order of all tenants interested in transferring due to under occupation so that we can be clear on numbers, give the appropriate advice and help facilitate transfers. The Allocations Assistant will administer this list and will oversee the Downsizing budget.
- 3.6 In some cases we may place adverts for smaller properties under the relevant CBL scheme (subject to the agreement of the Local Authority) which will be worded to give preference to existing NCHA tenants who are resident in the LA area and subject to the under-occupation charge and who wish to downsize. This will not exclude other applicants from applying for the property. This in effect allows a percentage of relets to be set aside for internal transfers due to under occupation on the basis of a local lettings plan which stipulates which group of applicants they will be let to.
- 3.7 Wherever possible if an internal transfer takes place the vacated family home will be placed with the local choice based lettings scheme for letting to a household currently on the transfer list for a move to larger accommodation.

n.b. Where possible colleagues may facilitate "chain lettings" to help a number of people at the same time.

3.8 Where LA-run downsizing schemes are available e.g. "Easy Move" (Leicester City Council) use will be made of these schemes.

n.b. NCHA will not make incentive payments available in areas where the Local Authority has undertaken to do so.

3.9 Where permitted by a Local Authority, it will be helpful to "top-slice" some units on new developments for under occupiers to transfer into. In these circumstances the usual requirement for 100% nominations can be met by using true voids (i.e. the final vacated unit after transfer) with the agreement of the local authority.

3.10 Tenants who have successfully secured a property should apply to the Allocations Assistant for a Downsizing incentive payment. The Allocations Assistant will provide an application form for the Income and Estates Officers to authorise (see appendix 1) and will add the customer's details to a register of those applying for transfer incentives. The Service Manager (Allocations and Estates) will authorise the form where appropriate.

3.11 The criteria for joining the scheme will be that the tenant:

- Is under occupying their present accommodation.
- Has a clear rent account or with the approval of the Service Manager (Income) can demonstrate a pattern of reducing arrears over a period of at least 3 months.
- Has no history of category "A" ASB or with the approval of the Service Manager (Allocations and Estates) can demonstrate that previous category "B" or "C" ASB has entirely ceased.
- Has kept their current property in good repair, with a clear and tidy garden, with no re-charges identified at relet.
- Is currently in receipt of Housing Benefit/ Universal Credit (including the shortfall to the Housing Element of UC as well as HB) and subject to the under occupation charge or may be working but is able to demonstrate (through an income and expenditure assessments) that they are unable to afford to pay the rent.

n.b. The resulting move must be to a property of the appropriate size for the transferring tenant – i.e. no under occupation should result

3.12 Where a tenant is able to downsize and qualifies for financial assistance under the downsizing scheme a sum of up to £500 will be made available to them after the move has gone ahead, which will assist with the cost of the following sorts of items:

- Reimbursement of reconnection costs e.g. telephone, satellite TV, utilities.
- Reimbursement of costs in relation to the redirection of mail.
- Payment for carpets, curtains or blinds.
- Decoration of the new property.

n.b. Some or all of this money may be used to offset rent arrears where money is already owed to NCHA by the transferring/exchanging tenant.

A procedure guide for staff who are assisting in the downsizing process is summarised at appendix 2.

- 3.13 Customers with a sufficiently high level of income or savings may be targeted for shared ownership opportunities and may be helped by crediting the £500 incentive payment from the downsizing scheme as a payment towards their deposit for a shared ownership property. A calculator is available via the HCA for use in deciding whether shared ownership is an affordable option for tenants.
- 3.14 Periodically NCHA will update customers with news of the Downsizing Policy and how to apply for a transfer on the grounds of under occupation.

Appendix 1

Downsizing scheme – Application Form

Date: _____

Tenant's name(s):		Contact number:	
Address:			
Property type:		Family size:	
Forwarding Address:			
Property type:		Landlord:	
Source of move:	<input type="checkbox"/> CBL	<input type="checkbox"/> Mutual Exchange	<input type="checkbox"/> Transfer

Income details:

Details of income and/or benefits:

Income/Expenditure form completed:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Form approved by:		

Details of payment:

Amount requested (Maximum £500)	£
Amount paid to rent account	£
Proposed amount paid directly to tenant(s) (if further criteria is met)	£

Criteria for payment to rent account: to be met before move

Requirements	Details	Checked by
Bedroom need	U/Occ by 1+ bedroom and no further under-occupancy	
Rent	Clear rent account or reducing arrears for 3 months	
ASB	No CAT A ASB or EO to agree B&C ceased	
Property condition	Property/Garden kept well	

Further criteria for payment to tenant: to be met after move

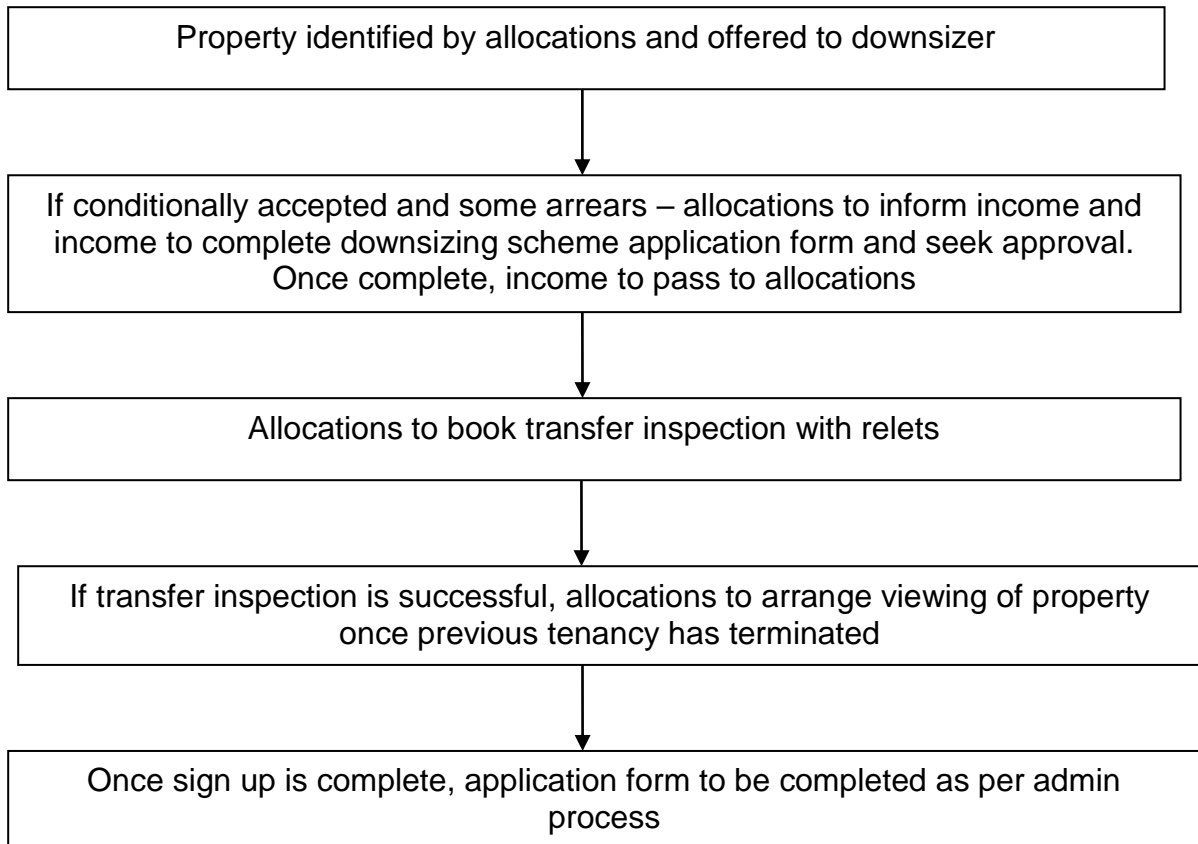
Requirements	Details	Checked by
Property condition	No relet recharges	
Rent	Payment plan in place for any remaining arrears	

Approved for payment by:

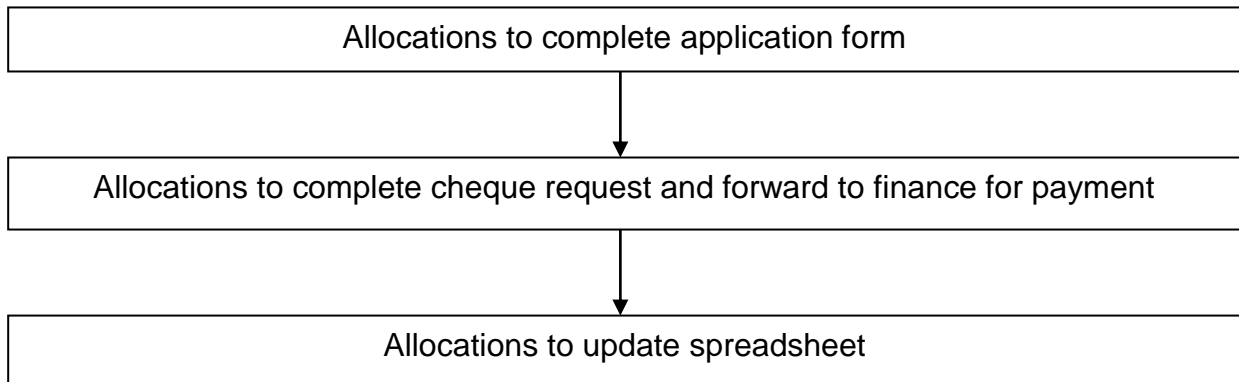
Department	Print	Sign
Income		
Estates		
Service manager		

Appendix 2

Downsizing transfer process

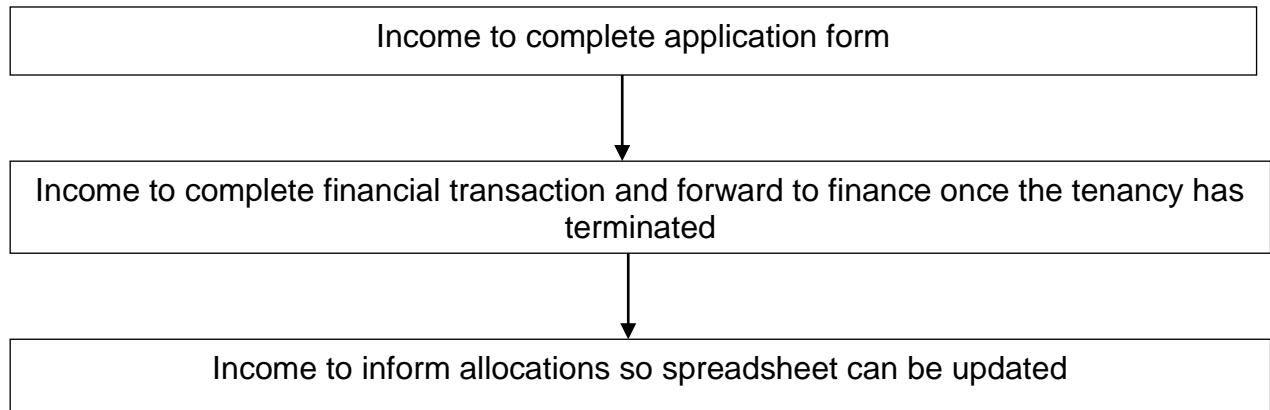


Admin process if 100% of incentive to tenant



Appendix 2 continued

Admin process if 100% of incentive to rent account



Admin process if mixed % to tenant and rent account

