

Report to: Housing Review Board



Date of Meeting 18 January 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

---

## Downsizing Grant

### Report summary:

This report sets out review of the downsizing grant available to EDDC tenants seeking to reduce the size of their home with recommendations for the levels of incentive grants.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

That the Board agree to the suggested financial payments for tenants who are downsizing for a period of 12 months.

### Reason for recommendation:

To give the Housing Review Board an opportunity to contribute towards the review of the financial incentives available to downsizing tenants

Officer: Andrew Mitchell, Housing Solutions Manager [amitchell@eastdevon.gov.uk](mailto:amitchell@eastdevon.gov.uk)

---

Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

**Equalities impact** Low Impact

**Climate change** Low Impact

**Risk:** Low Risk.

**Links to background information** .

## [Link to Council Plan](#)

Priorities (check which apply)

---

- Better homes and communities for all
- A greener East Devon
- A resilient economy

### 1. Background

- 1.1 Within the district, as is the case nationally, there are high numbers of tenants who are under occupying their current general needs rented accommodation – many are older tenants occupying family houses where family members have grown up and left home. Furthermore, many tenants in this situation may find it increasingly challenging to look after a larger property alongside other factors such as rent levels being higher for larger properties, with benefits not covering additional and unused bedrooms.
- 1.2 There is an increasing need to make the best use of the housing stock within the district (reference 3.1.8.6 of the Housing Allocations Policy). Due to the high demand for all EDDC properties, and in particular larger family homes, actions need to be taken in order to ensure that additional properties are made available for families whilst at the same time looking after the health and wellbeing of older tenants who may be struggling with looking after and affording a larger property.
- 1.3 There is no stand-alone downsizing policy, downsizing is covered within our Allocations policy. This is consistent with other local councils and would be outside of industry best practice to introduce a new, separated policy.

### 2. Policy

- 2.1 Assistance will be provided for tenants either expressing a need to downsize or being identified as benefitting from downsizing. Tenants wishing to downsize will be registered on Devon Home Choice. There is no separate EDDC Policy for downsizing, as the process is covered within the Devon Home Choice Policy. Applicants wishing to move to a property with fewer bedrooms will be banded as 'B' to reflect a high housing need if they have at least one vacant bedroom in their current home (reference is made to 3.5.4.1 and 3.5.4.2 of the Devon Home Choice Policy). Once registered on Devon Home Choice, tenants will be able to bid for smaller properties when available and advertised, or direct matches may be processed for applicants who are in the greatest need of moving home.
- 2.2 Tenants can also downsize through mutual exchanges. These can be done anywhere in the UK with exchanges between any Council or Housing Association tenant subject to satisfactory references and checks. Downsizing cases are included within the records maintained of downsizing numbers, but these cases are ineligible for financial incentives.

### 3. Statistics

- 3.1 Table 1 reports on the statistics for downsizing cases from 2019-20:

	2019-20	2020-21	2021-22	2022-23 (first six months)
Devon Home Choice downsizes	28	10	18	10

Of which:				
2 bed to 1 bed	11	6	9	5
3 bed to 1 bed	7	0	4	3
3 bed to 2 bed	10	4	5	2
Mutual exchange Downsizers	3	0	10	4
Total	31	10	28	14

- 3.2 The table shows a reduction in the numbers of downsizing cases being achieved. Figures show that for 2020–21 cases were lower due to the pandemic with consequence of less people being willing or able to move.
- 3.3 At the present time other factors negatively affecting the number of downsizing cases being achieved include fewer people moving in general. The costs of factors such as removals and carpets are proving to be prohibitive for many alongside other financial factors such as support charges on sheltered properties and rising energy costs.

#### 4. Financial Incentives

- 4.1 There are currently a range of financial incentive payments available aimed at encouraging and increasing downsizing opportunities. Information regarding downsizing is included on the Council's website, including a list of the compensation payments for downsizing for all tenants who either express an interest or need to downsize or tenants who have been identified as under occupying and potentially benefitting from a move to a smaller property.
- 4.2 Instances of downsizing are considered on a case by case basis for tenants moving from one social housing property to another.
- 4.3 Currently, financial payments are made up of a £1,500 compensation payment and then £500 for each bedroom released, up to a maximum of £3,000. There are no restrictions on how the money is spent - perhaps the money will be used to furnish the new property or meet the cost of removals. Table 2 shows the current levels of compensation for downsizing tenants:

Property		Payments		
Current property (bedrooms)	New smaller property (bedrooms)	Standard compensation payment	Payment for bedrooms released	Total payment
Five	One	£1,500	£1,500*	£3,000
Five	Two	£1,500	£1,500	£3,000
Four	One	£1,500	£1,500	£3,000
Four	Two	£1,500	£1,500	£2,500
Three	One	£1,500	£1,500	£2,500
Three	Two	£1,500	£500	£2,000
Two **	One	£1,500	£500	£2,000

\*Maximum payment

**\*\*Moves from two-bedroom properties to one-bedroom properties will only be eligible for the downsizing payment in certain circumstances and where a property suitable for a family is being released**

4.4 Annual totals of financial assistance provided to downsizing EDDC tenants over the past 4 years are as follows, the vast difference between 2019-20 and 2020-21 reflecting the drop in downsizing numbers owing to the pandemic:

- 2019-20 : £55,000
- 2020-21 : £18,000
- 2021-22 : £35,000
- 2022-23 (first six months) : £23,000

## 5. Tenant consultation

5.1 A tenant consultation exercise was held on 8<sup>th</sup> November 2022 with representatives of tenant groups. Discussions covered a range of options with the aim of increasing the numbers of downsizing cases, ultimately assisting tenants with their accommodation needs and leading towards the Council's objective to make the best use of housing stock within the district.

5.2 It was agreed that there are factors over and above the financial incentives made available to tenants when downsizing, in cases where it is acknowledged that assistance is required. The key area was that of additional support for tenants when downsizing. It was agreed that the council will give consideration towards helping tenants, when help is needed, with some of the tasks which come with the process of moving homes. Each instance will be different, depending on need and circumstances, with examples including, potentially, arranging for the connection of services, liaising with removal companies and relevant signposting.

5.3 Through the tenant consultation exercise the following increases to the current financial incentives structure were suggested:

Property		Proposed Payments			
Current property (bedrooms)	New smaller property (bedrooms)	Standard compensation payment	Payment for bedrooms released	Total payment	Increase if agreed
Five	One	£2,000	£2,250	£4,250	£1,250
Five	Two	£2,000	£2,250	£4,250	£1,250
Four	One	£2,000	£2,250	£4,250	£1,250
Four	Two	£2,000	£1,750	£3,750	£1,250
Three	One	£2,000	£1,750	£3,750	£1,250
Three	Two	£1,500	£1,250	£3,250	£1,250
Two **	One	£1,500	£500	£2,000	£0

5.4 The suggested changes show an increase in the standard compensation payment from £1,500 to £2,000 and an additional £750 payment per bedroom released for properties with three or more bedrooms.

5.5 The potential for a stand-alone downsizing policy to be required on the basis that should there be any requirements for amendments in the future then further tenant involvement would be required. The alternative is to continue keeping downsizing incorporated into the existing Housing Allocations Policy, as any amendments would also require tenant

involvement. Either way there would be tenant involvement with any future changes involving downsizing or the financial incentives attached to downsizing.

## **6. Financial forecast**

- 6.1 It would not be possible to accurately predict the additional cost of agreeing an increase to the financial incentives as it is not possible to accurately predict how many downsizing cases will be processed. However, the additional expense is expected to be relatively low, if agreed, and it is acknowledged that this proposal has been introduced as a means of encouraging higher numbers of downsizing cases in order to achieve a better use of stock, freeing up larger properties and ensuring tenants struggling to cope with larger properties can be assisted into more manageable homes.
- 6.2 Should the proposed financial incentives be agreed, over a 12 month period a predicted 20 downsizing cases including properties where properties with three bedrooms are released would add a potential additional £25,000 onto the current budget.

## **7. Next stages**

- 7.1 It is recommended that the increased financial payments, if agreed, are trialled for a period of twelve months and kept under review. Amendments would be required to the Housing Allocations policy and also the downsizing information available on the Council's website, all of which would require further consultation with tenant groups.

---

### **Financial implications:**

The financial implications are identified in the report and if approved then £25k increase in the downsizing budget is proposed.

### **Legal implications:**

There are no legal implications on which to comment.