

Housing Operations Policies & Procedures



Rightsizing Policy

1.	Policy objectives
1.1	South West Hertfordshire is an area of intense demand for affordable housing. With 29.5% of Watford Community Housing (WCH) homes being under-occupied, our Housing Management Strategy must continue to respond to the changing needs of our customers and encourage the best use of our stock to meet those demands. To do this, we know how important it is that we offer flexible housing options for our customers. If you choose to move to a smaller home, we promise to help you understand your options and find a new home that is right for you – and we will support you throughout the process.
1.2	<p>This Policy: -</p> <ul style="list-style-type: none"> (i) Sets out the strategy we will adopt to ensure customers who are under-occupying their homes are incentivised and supported to voluntarily move to the right size home and the financial incentives available to customers who do so; and (ii) Aims to increase value for money for WCH customers and staff by making optimal use of our housing stock and reducing the costs associated with running a home.
2.	Legislative & Regulatory requirement
2.1	Regulatory
2.1.1	<u>Tenancy Standard (2024)</u>
2.1.2	<p>Required Outcomes:</p> <p>1.1 Allocations and lettings</p> <p>1.1.1 Registered providers must allocate and let their homes in a fair and transparent way that takes the needs of tenants: and prospective tenants into account.</p> <p>Specific Expectations:</p> <p>2.1 Allocations and lettings</p> <p>2.1.3 Registered providers must develop and deliver services that seek to address under-occupation and overcrowding in their homes. These services should be focused on the needs of tenants.</p> <p><u>Value for Money Standard (2019)</u></p> <p>Required Outcomes</p>

	<p>(para 1.1d): “Registered providers must...ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives”.</p> <p>Specific Expectations</p> <p>(para 2.1d): “that they have appropriate targets in place for measuring performance in achieving value for money in delivering their strategic objectives, and that they regularly monitor and report their performance against these targets.”</p>
3.	Scope & Definitions
3.1	<u>Scope</u>
3.1.1	The WCH Rightsizing Scheme applies to all WCH general needs assured customers (i.e. on social or affordable rent) including Independent Living and Flexicare customers. When offering right sizing properties through the independent living schemes we shall aim to complete a full redecoration and carpet of the property, especially in the case of bedsits or shared homes. This will be looked at on a case-by-case basis.
3.1.2	WCH customers in these groups may rightsize under this Policy either by moving to another WCH property or a property owned by another registered provider. This is distinct from a Mutual Exchange where a WCH customer is swapping their property directly with another WCH or registered provider customer. It should be noted however that customers moving into a smaller property via mutually exchanging will qualify for a Rightsizing financial incentive under this Policy.
3.1.3	Factors such as affordability, physical location/mobility and reduction of the running costs of the home may be relevant in a customer’s decision to rightsize.
3.1.4	To assist with existing WCH’s customer’s financial situation, rent setting for a Rightsizer move will be set at target rent excluding 5% uplift, as allowed in the rent standard. An example illustration is noted in Appendix 3 .
3.1.5	This Policy applies to the WCH Group, including its subsidiary and joint venture companies (providing your tenancy terms and conditions allow you to). It must be followed by any member of WCH staff dealing with a Rightsizing case or enquiry. It will most commonly be used by the Housing Operations team and Independent Living Scheme Officers and Customer Service Centre. It should be used alongside the Downsizing Procedure associated with this Policy.
3.2	<u>Definitions</u>
3.2.1	Internal Transfer: a process by which existing WCH customers bid for an alternative property through the Choice Based Lettings scheme, which then allocates properties according to housing need. See Access to Housing Policy for further information.
3.2.2	Managed Transfer: a process undertaken by WCH of offering and allocating an alternative home to an existing WCH customer, generally in exceptional circumstances where the customer’s priority for a move warrants their transfer. Managed Transfers are generally considered by the WCH Housing Panel and are carried out in specific circumstances as set out below.
3.2.3	Mutual Exchange: the ability of a UK social housing customer to legally exchange their property with that of another social housing customer, (i.e. another not-for-profit housing association or local authority customer) also known as "home swap".

3.2.4	<p>Rightsizing: ensuring that a customer is occupying the right size home for their household broadly in line with the WCH Household Size & Eligibility Criteria at Appendix 1 (“the Criteria”) and offering a financial incentive when the customer is moving into a smaller sized property, thereby releasing a family sized home. WCH customers are not obliged to give up their property on the basis of Rightsizing. Please refer to WCH succession Policy</p>
3.2.5	<p>Rechargeable Works: We define rechargeable works as necessary works that cannot be attributed to fair wear and tear. Imposed recharges are the type of rechargeable work most likely to impact the Rightsizing payment. This is when damage has been caused to the property. For example; detrimental alterations without seeking our written consent as a landlord or causing the need for the removal of rubbish or abandoned belongings. See Alterations Policy for further information.</p>
4. Eligibility Criteria	
4.1	<p>The customers referred to at section 3.1.1 are <u>covered</u> by this Policy. Those who are occupying their property beyond the number of bedrooms listed at the Eligibility Criteria at Appendix 1 are <u>eligible</u> in principle to rightsize. Please refer to WCH recharge policy and procedure.</p>
4.2	<p>Rent Arrears</p>
4.2.1	<p>We recognise that some people who are under-occupying their home may be in financial difficulty, and we have several customers who are subject to the spare room subsidy reduction and having difficulty paying their rent.</p>
4.2.2	<p>We are committed to assisting people to sustain their tenancies and therefore wish to support people who are in rent arrears to right-size if their rent arrears can be cleared by the Rightsizing cash incentive. If a customer in rent arrears can show a consistent payment pattern for 12 weeks; there would be a net financial gain for a customer as a result of Rightsizing; the customer commits to agreeing to repay the outstanding debt as a condition of the letting of the new property, then a right-sizing move may still be considered. Approval of our Housing Panel will be sought should these circumstances occur.</p>
4.2.3	<p>Despite this, customers who are in rent arrears at the time rightsizing is being considered may be ineligible for the scheme. Customers in rent arrears more than the maximum payment and/or those subject to a possession order will not be considered eligible for rightsizing.</p>
4.3	<p>Rechargeable Works</p>
4.3.1	<p>If the recharge associated with re-letting the property or which currently exists on the property exceeds the maximum payment (£2,200) then the same consideration as in 4.2.2 should be applied.</p>
4.4	<p>Succession</p>
4.4.1	<p>Customers who have a legal right (either under legislation or the Tenancy Agreement) to succeed a tenancy can be <i>offered</i> to rightsize and are eligible for the Rightsizing scheme payment, but are not obliged to participate in the scheme. Customers who do not have a legal right to succeed a tenancy will be advised to rightsize to the appropriate sized property, however they will not be eligible for any of the scheme payments.</p>
4.5	<p>Affordability</p>
4.5.1	

	Customers will not be eligible for rightsizing where there is clear evidence that they would not be able to afford the rent and service charge on the proposed new property; this may be the case, for instance, where a social rent customer is moving to an affordable rent tenancy. Affordability will be based on rent and service charges. All rightsizers (if applicable) will undertake an affordability assessment with the Home Move Officer or a Financial Inclusion Officer to ensure the property is affordable.
5.	Financial Assistance
5.1	Any customer who falls under the criteria at 3.1.1, can qualify for up to £2,200 for moving to a smaller property which adequately suits our Household Size and Eligibility Criteria. This is broken down into two different payments:
5.1.1	Guaranteed Payment: We know that moving to a smaller property means you should be guaranteed something back in return. Therefore, some customers who right-size are eligible for a guaranteed payment of up to £500 per customer who takes up the offer of Rightsizing. This can offer our customers some financial certainty when opting to move. Additionally, we understand that financial support will be beneficial in assisting with initial moving costs; therefore, the £500 payment will be paid within 14 days of the customer accepting their new home.
5.1.2	If a customer is mutually exchanging, a guaranteed payment of £1,000 will be paid. This payment will be administered and paid within 14 days of the customer signing up their Assignment documentation. No additional payment will be made as properties are taken 'as seen' following successful H&S checks as part of the Mutual exchange process. Customers mutual exchanging are also not freeing up a property.
5.1.3	Additional Payment: We also appreciate those customers who look after and maintain their homes. Therefore, we offer up to £1,700 for those properties left in good condition. This is subject to any rechargeable works to your previous property, and or any arrears on your rent account. See below for a breakdown of these payments:
5.2	<u>Guaranteed Payment</u>
5.2.1	WCH will offer eligible customers payments up to £2,200 depending on their tenure type and circumstances. Cash incentive payment of £500 ("the Guaranteed Payment") which is capable of being paid tax-free. This is paid as below: - (i) £500 is paid within 14 days of the customer accepting the Rightsizing offer, to assist customers with immediate costs (e.g. removals) (ii) Note 5.1.2 above relating to mutual exchanges <u>All other remaining monies owed by WCH to the customer shall be paid once they have returned keys to their previous property and recharges have been calculated if applicable.</u>
5.2.2	NB – Rent arrears below £1,700 will firstly be deducted from the Additional Payment (see 5.3). However, any outstanding rent arrears exceeding this amount will be deducted from the Guaranteed Payment. The Home Move Officer will advise the customer on first contact. This can be seen as a positive way to assist in helping to clear a customer's rent account. Please see Appendix 2 for guidance on payment amounts customers will be eligible for subject to rent arrears.
5.2.3	If a customer changes their mind after accepting an offer, the Guaranteed Payment should be stopped if not yet paid. If the customer changes their mind after the Guaranteed Payment has been made, the payment will be added to the customer's sub account as a rechargeable debt

	and recovered on this basis. A formal document will be signed by the customer at viewing to confirm the customer's understanding and agreement to this.
5.3	<u>Additional Payment</u>
5.3.1	WCH will also offer eligible customers an additional cash payment of <u>up to</u> £1,700 the Additional Payment") to customers provided that: - <ul style="list-style-type: none"> (i) They do not have any rechargeable work above £1,700 needed to their existing property as assessed by a property inspection after they terminate their tenancy and keys are returned. The Recharge Policy and Procedure sets out further guidance on items that are rechargeable to customers. Where there is rechargeable work needed to the existing property, the cost of doing the work will be deducted from the Additional Payment and the remainder pursued under the Recharge Policy & Procedure. (ii) This will be conducted on a case-by-case basis. WCH will conduct a transfer visit prior to the customer moving. This will help predict whether any recharges which may exceed the Additional Payment should be seen as too concerning for us to allow the move to go ahead.
5.4	WCH's financial incentive for Rightsizing is therefore a maximum of £2,200 . The Guaranteed and Additional Payments are available irrespective of the number of bedrooms being released by the move.
6.	Mutual Exchanges
6.1	WCH understands customers would sometimes prefer not to go through the Choice Based Lettings process. Therefore, we do allow Rightsizing through our Mutual Exchange Policy. Customers may qualify for the full guaranteed cash incentive payment of £1,000 , subject to consideration of 4.2 and 4.3. This only applies when a customer swaps their home with another WCH customer and moves into a property which satisfies our Household Size and Eligibility criteria.
7.	Customers moving out of the area
7.1	Some of our customers may want to move out of the area ¹ and therefore would not normally qualify for this scheme. We recognise, however, that this is still a benefit to us in meeting local housing need. Therefore, we will consider offering removals assistance to customers on a discretionary basis, particularly if they are affected by welfare reform, are vulnerable or are older persons. See Vulnerable Customers Policy for further information. Please note WCH will require proof that the property the customer is moving into is smaller than the property they are giving up.
8.	Adapted properties
8.1	Applicants giving up substantially adapted housing will qualify for the rightsizing cash incentive if they are moving into a smaller home. Customers who need adaptations but who are under-occupying will be encouraged to consider transferring to a property which is already adapted or which is more suitable for adaptation (such as a ground floor property, or sheltered scheme).
9.	Equality & Diversity Considerations

¹ Out of area is any area outside of the Herts Choice Homes Consortium area, which is Watford, Three Rivers, Hertsmere, Dacorum, St. Albans and Welwyn and Hatfield.

9.1	WCH is committed to fairness & equality for all and will not discriminate against any person in its application of this Policy or Procedure by reason of their age, gender, disability or additional support needs, race/ethnicity, language/nationality, sexual orientation, religion and marital/civil partnership status.
10	Additional Support
10.1	It is recognised that some customers are unable to decorate their homes due to mobility concerns. In the cases where a customer is moving into an independent living scheme home, the property will be re-decorated throughout, if needed. Where a customer is moving into a general needs property and are able to decorate, WCH will provide a paint pack. The Communities Team will also be advised of those customers requiring additional support through WCH Welfare Fund.
11.	Monitoring & Reporting
11.1	We will monitor the Rightsizing Budget quarterly and report on request to EMT. The budget is also discussed at monthly directorate meetings with WCH Assistant Accountant.
12.	Related documents
	<ul style="list-style-type: none"> Access to Housing Policy Mutual Exchange Policy Aids and Adaptations Policy Recharge Policy Alterations Policy Succession Policy Vulnerable Customers Policy
13.	Approval
	Approved by: EMT: October 2023 CEC: January 2024
	Date of approval: January 2024
	Review date: January 2029
	Policy owner: Lettings Manager

Appendix 1 – WCH Household Size & Eligibility Criteria

Household Size	Number of bedrooms
Single Person	Studio / 1 bedroom
Couple	1 bedroom
Single person expecting first child	1 bedroom
Single person with staying access to children	1 bedroom
Parent(s) plus 1 child	2 bedroom
Parent(s) plus 2 children, same sex (where under 16 or one or more is over 16 but the age gap is less than 7 years)	2 bedroom
Parent(s) plus 2 children of opposite sex (under 10 years)	2 bedrooms
Parent(s) plus 2 children of opposite sex (over 10 years)	3 bedrooms
Parent(s) plus 2 children, same sex where there is an age gap of 7 years or more and one child is 16 or over	3 bedrooms
Parent(s) plus 3 children	3 or 4 bedrooms depending on ages and gender
Parent(s) plus 4 children or more	3 or 4 bedrooms depending on ages and gender

Appendix 2 – Guidance for the cash incentive payment

NB - this table does not consider any deductions for rechargeable works

Rent arrears on the customer's rent account:	Guaranteed Payment Instalment 1: £500	Guaranteed Payment Instalment 2: £500	Additional Payment: £1,200
£0	£500	£500	£1,200
£500	£500	£500	£700
£1,000	£500	£500	£200
£1,500	£500	£200	£0
£2,000	£200	£0	£0
£2,200	NO MOVE	NO MOVE	NO MOVE
Mutual Exchange			
£0	£1,000	n/a	n/a
£500	£500	n/a	n/a
£750	£250	n/a	n/a

Downsized into WCH stock & remained in local authority catchment area via CBL	Downsized out of WCH stock but remained in local authority catchment area via CBL	Downsized out of WCH stock and left local authority catchment area via CBL
Up to £2,200	Up to £2,200	Not eligible for any payment

Appendix 3 – Rent Setting for a WCH Tenant

Moving to a 2 bed house	Moving to a 1 bed flat	Moving to a 1 bed IL flat	Moving to a Bedsit IL flat	Moving to a 1 bed or Bedsit Flexi-care		
£140.43	£101.50	£120.27	£98.45	£93.28	WCH existing Tenant	
£153.10	£128.66	£131.13	£107.34	£101.69	New tenant	
The above data illustrates an existing tenant rightsizing from their current 3 bed general needs house paying (£145.72 not at target rent) to various tenure type options where they will pay target rent , and excludes the additional rent flexibility charge of 5 %						
The existing tenant (someone who was WCH tenant during 2022/23), benefits from the governments cap on rent increase to be no higher than 7% for 2023-24						
In comparison a new WCH tenant In 2023/24 will pay Target rent, plus the 5% Rent flexibility charge allowable under the WCH Rent Standard 2020						
The inflationary increase will be based on September CPI + 1% (for 2023/24 - 11.1%, and will not be capped at 7% as it is with existing tenants)						

Rightsizing Options

Advised to join housing register

Complete application on local authority's website to be assessed on whether they can join the housing register as a transfer.

Accepted onto the housing register to bid on properties that you like.

If you are shortlisted, you will be invited for a viewing and affordability assessment prior to moving in.

Advised to join Homeswapper

Register your account with Homeswapper and create an advert for your home.

Search for homes you are interested in and find your swap!

Register for your mutual exchange via Homeswapper.

Wait 42 days for the necessary checks to take place. Your landlord will then accept or decline your proposed mutual exchange.

Independent Living

Local authority

Complete application on local authority's website to be assessed on whether they can join the housing register as a transfer.

Accepted onto the housing register to bid on properties that you like.

If you are shortlisted, you will be invited for a viewing and affordability assessment prior to moving in.

Self-Referral

Application for Independent Living & Flexi-Care completed and returned to WCH.

Application approved by Senior Scheme Office and sent to panel for review.

Once your application has been approved you will be placed onto a waiting list.

We will inform you when a property becomes available, and a viewing & affordability assessment will be arranged.

Once you have moved in, you may be eligible for a downsizing cash payment.