

To: Housing Panel

Date: 4 February 2015

Report of: Head of Housing& Property

Title of Report:Tackling under-occupation

Summary

Purpose of report: To provide members with details on the range of initiatives in place to tackle under-occupation within Oxford City Council's housing stock.

Key decision No

Executive lead member: Councillor Scott Seamons, Board Member for Housing & Estate Regeneration

Report author: Bill Graves, Landlord Services Manager

Policy Framework: Meeting Housing Needs

Appendices to report:

Appendix 1 – Statistical Analysis of Under-occupation

Appendix 2 – REMS Scheme Criteria & Uptake

Appendix 3 – Mutual Exchanges and Homeswapper

Appendix 4 – Bedroom Tax

Appendix 5 – Mutual Exchange Statistics

Background

1. The Housing Panel of the Scrutiny Committee requested a report to update them on the range of initiatives in place to tackle under-occupation within the City Council's housing stock. This report sets out the Council's position as at January 2015

Current Under-Occupation in Council Housing Stock

2. In considering under-occupation, the same criteria is used as the Allocations Scheme when calculating the number of bedrooms required for a household, taking into account ages, sexes and relationships.
3. Each of the following are considered to require one bedroom:
 - Each couple or a single person
 - Each additional adult (aged eighteen and over)
 - Two children of the same sex aged under 16
 - Two children of the opposite sex aged under 10
 - Any other child
4. As at January 2015 there were 7,599 occupied properties (excluding homeless temporary accommodation and properties leased to external organisations). Of those, 2,314, (30.5% of the total stock) were under-occupied using the criteria above.
5. An analysis of under-occupation is shown in Appendix 1. From the analysis:
 - Taking family-sized properties only (2 bedroom and above), there were 5,809 properties and 39.8% were under-occupied. *Table 1 - Under-occupation in family-sized stock*
 - The majority of those under-occupying only require a 1-bed property (67.6%). *Table 2 - Bedroom requirements of under-occupiers*
 - 59.3% of under-occupiers are aged 60 or over. *Table 3 - Under-occupation in under 60s and over 60s*
 - Where tenants over 60 are occupying family-sized accommodation, 77.0% are under-occupied. *Table 4 - Over 60s in family-sized accommodation*
 - 398 (29%) of under-occupying over 60s are over 80 years old. *Table 5—Over 60s under-occupation by age band*
 - 78.6% of under-occupying households where the main tenant was aged 60 or over only require a 1-bed property. *Table 6—Bedroom requirements of over 60s under-occupiers*

Under-occupation initiatives - REMS scheme

6. The Removal and Expenses Scheme (known internally as REMS) is a scheme for Council tenants who are under-occupying their properties and who want to move to a smaller property.
7. Tenants accepted on the scheme will be placed in band 1 on the housing register if they are giving up two or more bedrooms and in band 2 if they are giving up one bedroom.
8. Tenants receive compensation depending on the number of bedrooms that they are giving up, as set out in Appendix 2. *Table 7 - REMS Compensation Amounts*
9. They may also be eligible for certain other expenses up to the value of £1,500, including removal costs, replacement floor coverings, disconnection and reconnection of domestic appliances and help with decorations.
10. Out of 2314 under-occupying households only 127 (5.5%) are on the REMS scheme. *Table 8 - Under-occupiers on REMS scheme*
11. Among those aged 60 and over who are under-occupying only 57 (4.2%) are on the REMS scheme. *Table 9 - Over 60s under-occupiers on REMS Scheme.*
12. Although the numbers are low, the number of tenants moving on the REMS scheme is increasing each year from 28 in 2012/13, to 58 in 2013/14 and to 53 in the first nine months of 2014/15. (*Table 10 - REMS moves by property moved from*) although the number of moves from 4 bed properties remains very low.
13. The associated expenditure on compensation and expenses is increasing with the increased numbers (*Table 11 - REMS Compensation and Expenses by Type*). Any budget shortfalls that are anticipated are covered by underspends to ensure that the scheme continues.
14. The average age of downsizers is 60 and the highest represented age ranges are between 40 and 79. *Table 12 - Age range of REMS downsizers.*
15. Oxford City Council's REMS scheme is one of the most generous operated by local authorities. *Table 13 - Downsizing incentive schemes in other LAs. 3-bed to 1-bed examples*

Homeswapper

16. Oxford City Council subscribes to Homeswapper, which is a national register of tenants looking to exchange home. Almost 900 Registered Providers subscribe to Homeswapper including all of the members of ORAH. Oxford City Council also subscribes to Homeswapper Local, which enables our tenants to search for potential matches down to ward level.
17. There are 835 Oxford City Council tenants registered on Homeswapper with 443 being in 2-bedroom properties and 266 in 3-bedroom properties, however only 3.4% in 2-beds and 21.3% in 3-beds actually want to downsize (*Table 14 - Bedroom requirements of tenants registered on Homeswapper*). Overall, only 75 (8.9%) of all tenants registered want to downsize (*Table 15 - Overall requirements of tenants registered on Homeswapper*).

Bedroom Tax & Mutual Exchange “Speed-dating”

18. On 1 April 2013, 956 households in Oxford were affected by the bedroom tax. This included Housing Association tenants as well as around 600 Oxford City Council tenants. By 1 September 2014, this had reduced by almost 30% to 678 households in Oxford. *Table 16 - Bedroom Tax reducing numbers*
19. Analysis carried out by the Council’s Welfare Reform Team eight months after the implementation of the Bedroom Tax identified that downsizers only accounted for 13 (5%) of all those who were no longer affected by the Bedroom Tax at that time. The main changes in circumstances were tenants finding work, children being registered and adult children returning home. *Table 17 - Reason tenants no longer affected by Bedroom Tax*
20. As a response to the introduction of the Bedroom Tax, the Council organised a series of mutual exchange “Speed-dating” sessions, designed to put those affected by the Bedroom Tax in direct contact with tenants who need to move to large accommodation. These sessions attracted considerable interest across the media and was promoted heavily and directly with tenants affected by the Bedroom Tax.
21. The “Speed-dating” sessions were attended by around 290 households however despite the numbers, there was a mismatch of attendees as the majority were in 2-bed properties wanting to move to larger properties, while of those wanting to downsize who did attend, most were in 2-bed properties in any event.
22. Although the sessions were well attended, no tenants downsized by finding an exchange as a result of the initiative. The publicity did however significantly improve awareness of exchanges and a record number took place in the months that followed.

Mutual Exchanges

23. The number of mutual exchanges has increased significantly from 75 in 2012/13 to 113 in 2013/14. The trend is continuing in 2014/15 with over 100 exchanges expected to be completed. *Table 18 - Exchanges by month 2012 - 2015.*
24. In 2014/15 so far, over half of exchanges were between properties of the same size (*Table 19 - Size of property moved to compared with existing home*) and only half of all 18 who downsized were affected by the Bedroom Tax (*Table 20 - Exchanges with tenants affected by Bedroom Tax*).
25. Of all those that exchanged in 2014/15 so far, 85 have exchanged either with a City Council tenant or a tenant of another Registered Provider in Oxford. 15% have exchanged with tenants outside of Oxford. *Table 21 - Destination of exchanging tenants.*
26. The Council has a budget to provide assistance to those affected by Bedroom Tax who have found a downsizing exchange, however the take up is extremely low, reflecting the low numbers involved.

Conclusion

27. Despite the financial implications of the Bedroom Tax, publicity, the REMS incentives and assistance for exchanging tenants, the problem of under-occupation in our stock remains significant and movement by under-occupiers to smaller accommodation remains low. Officers will continue to support the initiatives already in place.
28. The research being carried out under the Older Persons Housing Review will inform the future approach to initiatives to tackle under-occupation from a holistic perspective, taking into account aspirations of older people relating both to property and services available.

Next steps

29. That the Housing Panel (of the Scrutiny Committee) is asked to note this report and provide comment on the existing initiatives in place to tackle under-occupation.

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List of background papers: None

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Appendix 1 – Statistical Analysis of Under-occupation

	Total tenancies	Under-occupied	% under-occupied
2-beds	2538	810	31.9%
3-beds	3001	1380	46.0%
4-beds	242	109	45.0%
5-beds	25	13	52.0%
6-beds	3	2	66.7%
Total	5809	2314	39.8%

Table 1 - Under-occupation in family-sized stock

	Number of bedrooms required				
Size	1-bed	2-bed	3-bed	4-bed	
2-bed	810				810
3-bed	721	659			1380
4-bed	31	31	47		109
5-bed	3	3	3	4	13
6-bed				2	2
Total	1565	693	50	6	2314
Percentage	67.6%	29.9%	2.2%	0.3%	

Table 2 - Bedroom requirements of under-occupiers

	Age of main tenant				
	Under 60		60 and over		Total
Size	Number	Percentage	Number	Percentage	
2-bed	309	38.1%	501	61.9%	810
3-bed	570	41.3%	810	58.7%	1380
4-bed	54	49.5%	55	50.5%	109
5-bed	8	61.5%	5	38.5%	13
6-bed	1	50.0%	1	50.0%	2
Total	942	40.7%	1372	59.3%	2314

Table 3 - Under-occupation in under 60s and over 60s

Size	Tenants over 60	Under-occupying	Percentage
2-bed	688	501	72.8%
3-bed	1015	810	79.8%
4-bed	71	55	77.5%
5-bed	6	5	83.3%
6-bed	1	1	100.0%
Total	1781	1372	77.0%

Table 4 - Over 60s in family-sized accommodation

	Age of main tenant						
	60-69		70-79		80+		Total
	Number	Percentage	Number	Percentage	Number	Percentage	
2-bed	186	37.1%	147	29.3%	168	33.5%	501
3-bed	320	39.5%	271	33.5%	219	27.0%	810
4-bed	26	47.3%	19	34.5%	10	18.2%	55
5-bed	2	40.0%	2	40.0%	1	20.0%	5
6-bed	1	100.0%	0	0.0%	0	0.0%	1
Total	535	39.0%	439	32.0%	398	29.0%	1372

Table 5—Over 60s under-occupation by age band

	Number of bedrooms required				
Size	1-bed	2-bed	3-bed	4-bed	
2-bed	501				501
3-bed	553	257			810
4-bed	25	18	12		55
5-bed	3	1	1		5
6-bed				1	1
	1082	276	13	1	1372

Table 6—Bedroom requirements of over 60s under-occupiers

Appendix 2 – REMS Scheme Criteria & Uptake

	Moving to				Designated 55+ or sheltered	
Moving From*	4 Bed	3 Bed	2 Bed	1 Bed	2 Bed**	1 bed
5 Bed	£1,000	£2,000	£3,000	£4,000	£3,500	£4,500
4 Bed	£0	£1,000	£2,000	£3,000	£2,500	£3,500
3 Bed	£0	£0	£1,000	£2,000	£1,500	£2,500
2 Bed	£0	£0	£0	£1,000	£1,000	£1,500
*Plus up to £1,500 moving expenses						
** The higher compensation amount ONLY applies to 2 bedroom properties suitable for older applicants and NOT properties suitable for families with children						

Table 7 - REMS Compensation Amounts

Property Size	Under-occupied	On REMS scheme	% on REMS scheme
2-bed	810	41	5.1%
3-bed	1380	78	5.7%
4-bed	109	7	6.4%
5-bed	13	1	7.7%
6-bed	2	0	0.0%
Total	2314	127	5.5%

Table 8 - Under-occupiers on REMS scheme

Property Size	Under-occupied	On REMS scheme	% on REMS scheme
2-bed	501	19	3.8%
3-bed	810	35	4.3%
4-bed	55	3	5.5%
5-bed	5	0	0.0%
6-bed	1	0	0.0%
Total	1372	57	4.2%

Table 9 - Over 60s under-occupiers on REMS Scheme

Property Size	2012-13	2013-14	2014-15 to 12/14
2-bed	12	26	24
3-bed	13	27	27
4-bed	3	4	2
5-bed		1	
Total	28	58	53

Table 10 - REMS moves by property moved from

Property Size	2012-13	2013-14	2014-15 to 12/14
2-bed	£27,644.58	£ 67,115.41	£ 63,833.43
3-bed	£35,107.14	£ 80,659.74	£ 86,982.30
4-bed	£13,994.83	£ 15,789.84	£ 5,894.00
5-bed		£ 5,500.00	
Total	£76,746.55	£169,064.99	£156,709.73

Table 11 - REMS Compensation and Expenses by Type

Age Range	Numbers
20-29	3
30-39	10
40-49	21
50-59	37
60-69	29
70-79	23
80-89	14
90-99	2
Average Age	60

Table 12 - Age range of REMS downsizers

Landlord	Compensation	Max Expenses
LB Camden	£4,000.00	N/K
Oxford City Council	£2,000.00	£1,500.00
Cambridge City Council	£2,000.00	£800.00
Lewes DC	£2,000.00	£500.00
Basildon Council	£1,500.00	N/K
Brighton & Hove City Council	£1,500.00	N/K
Harlow	£1,500.00	£1,000.00
Ashford BC	£1,000.00	Yes
Cornwall Housing	£1,000.00	N/K
Bournemouth BC	£1,000.00	500+
Epping Forest DC	£1,000.00	£500.00
LB Lambeth	£1,000.00	£500.00
Exeter City Council	£0.00	£500.00
Hull City Council	2 weeks rent	N/K

Table 13 - Downsizing incentive schemes in other LAs. 3-bed to 1-bed examples

Appendix 3 – Mutual Exchanges and Homeswapper

Current Size	Requirements	Numbers	Percentage
1 Bedroom	Same Size	72	67.9%
	One bedroom more	30	28.3%
	Two bedrooms more	4	3.8%
1 Bedroom Total		106	100.0%
2 Bedroom	One bedroom less	15	3.4%
	Same Size	244	55.1%
	One bedroom more	182	41.1%
	Two bedrooms more	2	0.5%
2 Bedroom Total		443	100.0%
3 Bedroom	Two bedrooms less	5	1.9%
	One bedroom less	49	18.4%
	Same Size	145	54.5%
	One bedroom more	66	24.8%
	Two bedrooms more	1	0.4%
3 Bedroom Total		266	100.0%
4 Bedroom	Two bedrooms less	2	10.5%
	One bedroom less	4	21.1%
	Same Size	11	57.9%
	One bedroom more	2	10.5%
4 Bedroom Total		19	100.0%
5 Bedroom	Same Size	1	100.0%
5 Bedroom Total		1	100.0%
Overall Total		835	

Table 14 - Bedroom requirements of tenants registered on Homeswapper

Requirements	Numbers	Percentage
Two bedrooms less	7	0.8%
One bedroom less	68	8.1%
Same Size	473	56.6%
One bedroom more	280	33.5%
Two bedrooms more	7	0.8%
Total	835	100.0%

Table 15 - Overall requirements of tenants registered on Homeswapper

Appendix 4 – Bedroom Tax

	Deduction Rate					
	14%		25%		All	
Apr-13	781	Change	174	Change	956	Change
Dec-13	616	-21%	123	-29%	739	-23%
Jan-14	593	-24%	118	-32%	711	-26%
Apr-14	593	-24%	101	-42%	694	-27%
Sep-14	577	-26%	101	-42%	678	-29%

Table 16 - Bedroom Tax reducing numbers

Reason	Households	%
Carer exemption	26	10%
Claim cancelled or suspended	48	18%
Disabled child exemption	15	6%
Downsized	13	5%
Exempt accommodation	15	6%
Foster carer	2	1%
Higher bedroom need	56	21%
Lodger	5	2%
Non dependant	46	17%
Pension age	3	1%
Work	40	15%
	269	100%

Table 17 - Reason tenants no longer affected by Bedroom Tax

Appendix 5 – Mutual Exchange Statistics

	2012/13	2013/14	2014/15
Apr	11	18	14
May	5	9	10
Jun	6	12	14
Jul	6	13	11
Aug	3	7	8
Sep	10	16	8
Oct	7	10	8
Nov	3	7	4
Dec	0	0	3
Jan	10	5	
Feb	10	7	
Mar	4	9	
Total	75	113	80

Table 18 - Exchanges by month 2012 - 2015

Property Moved to 14/15	
Size Difference	Numbers
Larger	18
Same	44
Smaller	18
Grand Total	80

Table 19 - Size of property moved to compared with existing home

Bedroom Tax Downsizers 14/15	
Size Difference	Numbers
Same	1
Smaller	9
Grand Total	10

Table 20 - Exchanges with tenants affected by Bedroom Tax

Internal/External 14/15	
Landlord	Numbers
Out of Oxford	12
HA in Oxford	23
OCC	45
Grand Total	80

Table 21 - Destination of exchanging tenants