

**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

1. 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.
2. 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

1. 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.
2. 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

1. 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.
2. 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.
3. 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*
4. 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.
5. Out of 2314 under-occupying households only 127 (5.5%) are on the REMS scheme. *Table 8 - Under-occupiers on REMS scheme*
6. 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.*
7. 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.
8. 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.
9. 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.*
10. 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**

1. 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.
2. 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 13 - Bedroom requirements of tenants registered on Homeswapper)*. Overall, only 75 (8.9%) of all tenants registered want to downsize *(Table 14 - Overall requirements of tenants registered on Homeswapper).*

**Bedroom Tax & Mutual Exchange “Speed-dating”**

1. 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 15 - Bedroom Tax reducing numbers*
2. 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 16 - Reason tenants no longer affected by Bedroom Tax*
3. 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.
4. 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.
5. 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**

1. 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 17 - Exchanges by month 2012 - 2015.*
2. In 2014/15 so far, over half of exchanges were between properties of the same size *(Table 18 - Size of property moved to compared with existing home)* and only half of all 18 who downsized were affected by the Bedroom Tax *(Table 19 - Exchanges with tenants affected by Bedroom Tax).*
3. 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 20 - Destination of exchanging tenants.*
4. 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**

1. 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.
2. 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**

1. 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

**Version number: 1.0**

**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 - 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 - 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 - 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 - 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 – 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 – 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 - 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 - 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 - 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 - 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 - 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 - 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 - 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 - 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 - 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 - 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 - 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 - Exchanges by month 2012 - 2015

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

Table - 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 - 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 - Destination of exchanging tenants