

**To: Housing Panel**

**Date: 5 October 2016**

**Report of: Head of Housing & Property**

**Title of Report: Tackling under-occupation**

## **Summary**

**Purpose of report:** To provide members with an update 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 Mike Rowley, Board Member for Housing

**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 Exchange Statistics**

## Background

1. This report updates the report of 4<sup>th</sup> February 2015 to the Panel 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 mid-September 2016.

## 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 mid-September 2016, there were 7,593 occupied properties (excluding homeless temporary accommodation and properties leased to external organisations). Of those, 2,172 (28.6%) were identified as under-occupying. While this remains substantial, it has dropped from 2,314, (30.5%) in January 2015.
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 5,784 properties and 37.6% were under-occupied  
*Table 1 - Under-occupation in family-sized stock*
  - The majority of those under-occupying only require a 1-bed property (67.8%). *Table 2 - Bedroom requirements of under-occupiers*
  - 60.6% 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, 75.5% are under-occupied. *Table 4 - Over 60s in family-sized accommodation*
  - 378 (28.7%) of under-occupying over 60s are over 80 years old. *Table 5 – Over 60s under-occupation by age band*
  - 77.6% 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 2,172 under-occupying households only 131 (6%) are on the REMS scheme. *Table 8 - Under-occupiers on REMS scheme*
11. Among those aged 60 and over who are under-occupying only 66 (5%) are on the REMS scheme. *Table 9 - Over 60s under-occupiers on REMS Scheme.*
12. The number of tenants moving on the REMS scheme has dropped in 2015/16 to 41 compared to 58 and 57 in the two preceding years. No changes have been made to the scheme that would influence numbers so the cause of the drop is believed to be a simple reduction in demand and available supply of suitable properties. (*Table 10 - REMS moves by property moved from*)
13. The associated expenditure on compensation and expenses is demand led. (*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 61 and the highest represented age ranges are between 50 and 59. *Table 12 - Age range of REMS downsizers.*
15. All Council tenants who are under-occupying are pro-actively targeted regarding downsizing and given information about the REMS scheme.

## 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 around 900 tenants registered on Homeswapper. Tenants are however not required to be registered on Homeswapper to exchange and so the statistics available are not necessarily reflective of those looking for an exchange. Word of mouth remains extremely popular and there is an increase in the use of social media to advertise that someone wants to swap.

## Bedroom Tax

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. This has reduced further to 561 in September 2016.

## Mutual Exchanges

19. Following a peak in 2013/14 where 113 exchanges were completed, numbers have dropped back down to 74 in 2015/16. *Table 13 - Exchanges by month 2012 - 2016.*
20. In most years, just over half of all exchanges took place between tenants in the same size property and in 2016/17 so far, out of 38 completed exchanges, only 5 involved someone downsizing *Table 14 - Size of property moved to compared with existing home.*
21. In 2015/16, 23% of exchanges were with tenants from outside Oxford. *Table 15 - Destination of exchanging tenants.*

## **Review of Older Persons Accommodation in Oxford**

22. The Review of Older Persons Accommodation in Oxford (February 2016) was presented to the City Executive Board on 17<sup>th</sup> March 2016.
23. The review conducted a detailed survey of older people in Oxford with over 500 responses, the largest proportion coming from Council tenants. From the survey, only 10% were considering moving from their current homes, while those not wanting to move were citing locality, emotional attachment, loss of possessions if moving to somewhere smaller and loss of family space (spare bedrooms) as some of the reasons for not wanting to move.
24. The report also noted that there was an over provision of sheltered and designated over 55's accommodation in the Council's housing stock, with low demand for those property types.

## **Flexible Tenancies**

25. The Housing and Planning Act 2016 sets out the framework for the phasing out tenancies for life and the introduction of mandatory flexible tenancies for Council tenants.
26. A flexible tenancy is essentially a fixed term tenancy, usually of 5 years, at which point the circumstances of the tenant will be reviewed and a decision taken whether to grant a further 5 year tenancy term or not, depending on the housing need of the tenant.
27. While the regulations are not yet finalised, the introduction of flexible tenancies will see tenancies generally of a 5 year fixed term and although initially it will affect new tenants, some categories of tenants transferring and successors (on death) will also be given flexible tenancies.
28. Depending on the availability of suitable smaller properties, this change will, in time, lead to a reduction in under-occupation.
29. The implementation date is expected to be mid-2017. The regulations will set out decisions that Local Authorities will need to make locally and a report will be presented to the City Executive Board once regulations are available.

## Conclusion

30. The number of tenants under-occupying their homes continues to reduce but from a high level. The efforts to promote exchanges and the REMS scheme are on-going.
31. The Review of Older Persons Accommodation in Oxford identified that many tenants simply do not want to move and that their housing aspirations are generally not for the type of accommodation that the Council has available to offer.
32. The introduction of flexible tenancies will potentially have a significant impact on the levels of under-occupation in the longer term.

## Next steps

33. That the Housing Panel (of the Scrutiny Committee) is asked to note this report.

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**List of background papers:** None

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