

Housing Practice

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Reducing under occupation



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Why reduce under occupancy?

Social housing in the UK is experiencing a period of unprecedented demand. Figures produced by the Department for Communities and Local Government (DCLG) show that in England alone there are 1.7m households on social housing waiting lists and that this has increased by around 700,000 in the last decade. In many areas larger properties are in particularly high demand with 250,000 social homes in England currently overcrowded.

Social housing providers are unlikely to be able to meet this rising demand solely through the development of new homes, and so there is a clear need for them to also make the best possible use of their existing stock. DCLG figures also show that between 2005 and 2008 11% of social housing tenants in England had 2 or more spare bedrooms. Reducing this under occupancy, by encouraging and enabling households to move to smaller properties, is one way to increase the number of larger homes available for other families in housing need.

From April 2013, as part of the government's welfare reforms, working age tenants who receive Housing Benefit and are under occupying will have their Housing Benefit reduced to the amount payable for a property that matches their household size. For example,

a couple of working age occupying a three bedroom house will only be entitled to sufficient Housing Benefit for a one bedroom property. The Department for Work and Pensions has estimated that this will affect 670,000 people across the UK. The Scottish Government estimate that up to 110,000 households could be affected in Scotland and Community Housing Cymru has also estimated that 4,000 people will be affected in Wales alone.

As well as helping reduce overcrowding elsewhere, taking action to identify and reduce under occupancy now could also reduce the risk of higher levels of rent arrears and increasing demand for debt advice, homelessness and temporary accommodation services when the changes take effect.

Making downsizing a positive choice for tenants

Reducing under occupation does not necessarily only produce benefits for social landlords. It can also be a positive experience for the under occupier and should result in

them moving to a home that better meets their needs. The best schemes for reducing under occupation are schemes that seek to make downsizing a positive choice for tenants.

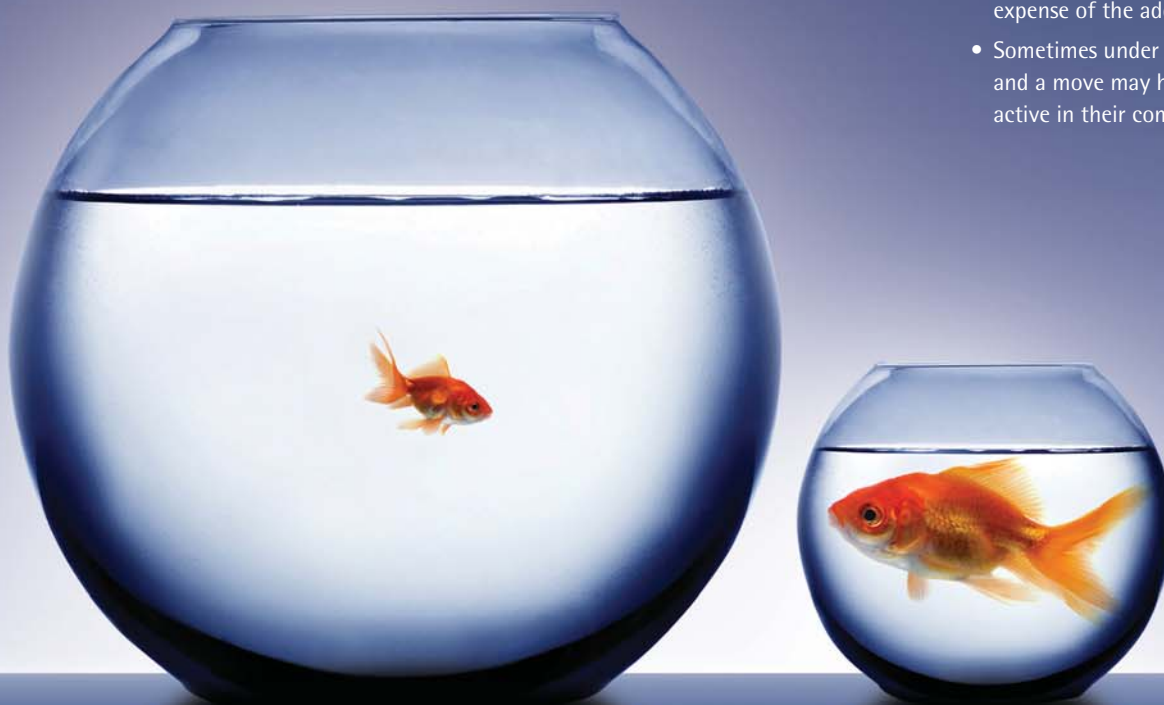
Using the right messages to promote downsizing

The language and messages used when communicating with under occupiers is important, especially when dealing with older or vulnerable tenants, otherwise there is a danger that they may be made to feel like they have done something wrong or that they are being forced out of their home.

It is important for officers to empathise with under occupiers and for them to focus on the benefits of moving to a smaller property.

For example:

- Many under occupiers struggle to maintain and clean a large property and may find a smaller home easier to manage
- Larger properties cost more in utility bills. According to the website whatprice.co.uk the annual cost of heating a typical three bedroom semi-detached house is £875 compared to £540 for a one bedroom flat or £538 for a one bedroom bungalow
- Many under occupiers end up effectively living in only 2 or 3 rooms of their property and are not getting any benefit for the extra expense of the additional bedrooms
- Sometimes under occupiers can feel isolated and a move may help them to become more active in their community



- Some under occupiers have concerns about security, especially in the case of elderly or vulnerable tenants living alone in a large property.

A good result is a tenant moving to something that better meets their needs. This will be somewhere that is more secure, manageable and affordable and that also allows them to remain a part of their community.

Incentivising tenants to downsize

Many under occupiers understand that their current home is desirable and will need strong incentives to downsize. There are a number of ways that providers can offer these. Many offer cash incentives, they consider that the cost of using cash grants to free up larger properties within their existing stock is still significantly lower than the cost of building new homes.

There are therefore a range of possible incentives to encourage under occupiers to make a positive choice to downsize. They found that:

- The desirability and condition of the property offered is usually a more important factor than the size of the cash incentive
- Additional support, such as help with removals, extra funding for redecoration and help finding a suitable property, is also typically a more important factor than the size of the cash incentive
- Many under occupiers that did not want to move said it was because they did not want to leave their current neighbourhood and so the location of the property offered is a key factor in their decision.

There are therefore a range of possible incentives to encourage under occupiers to make a positive choice to downsize. These include:

- A dedicated support officer, including a home visit to identify needs, matching to available properties in a desired area, accompanied viewings and assistance with bidding through Choice Based Lettings

- Ring-fenced 'desirable' properties for under occupiers
- Practical support with the move itself such as organised and paid for packing and removal, disconnection and reconnection of utilities and white goods, redirection of post and help informing banks and other organisations of a change of address, disposal or recycling of larger items of furniture
- A handyman to help with putting up curtains, shelves and other small jobs in their new home
- Allowing the under occupier to retain a single spare bedroom
- A small financial payment per bedroom released
- Payment of small-scale refurbishment or decoration costs
- Additional works carried out on their new property.

Practice Example

Hull City Council

Hull City Council do not require tenants that join their downsizing scheme to bid for available homes through their Choice Based Lettings scheme. Instead they make as many direct offers of suitable accommodation as are necessary to find an appropriate property. They are willing to offer singles and couples with three or more bedrooms a two bedroom property, which they would not normally qualify for.

They also offer the equivalent of two weeks' rent to help with the cost of moving, a disconnection and reconnection service for up to 2 items of white goods and will consider waiving the cost of rechargeable repairs in some circumstances, up to a maximum of £500 and where the tenant had managed their tenancy appropriately.

During the year 2010/11 Hull City Council helped 150 households to downsize through their scheme.

Practice Example

Fife Council

Fife Council operates a Transfer Incentive Scheme which provides tenants with both financial and practical assistance to downsize. The financial limit is usually £1,500 although in some circumstances this can be increased. The grant can be used for:

- Resettlement assistance, such as help with moving costs or decoration
- Furniture packs
- Temporary rent exemption or rent assistance to help a move to go ahead
- Improving the decoration standard of the current tenancy to avoid recharge costs.

Under occupying tenants are identified through the Fife Housing Register system and approached directly. The scheme was launched in late 2009 and has helped 348 tenants directly, but also many more indirectly by enabling the Council to create 'chains' of lettings.

Fife Council are now working on developing multi-landlord transfer and exchange schemes to allow tenants to move more easily across the Fife area.

Practice Example

Cambridge City Council

Cambridge City Council allocate an annual budget for providing cash incentives to encourage tenants that are under occupying to move to a smaller property. They use the budget to offer grants of £1,000 for each bedroom that the tenant gives up plus an additional £800 to cover removal expenses.

Since the scheme began 3 years ago, over 100 tenants have registered an interest in downsizing and 40 have successfully moved to a smaller property.



What does a really good scheme for reducing under occupancy look like?

There are a number of areas to consider when developing an overall approach to reducing under occupancy.

How well do you understand under occupation in your area?

To develop a successful approach to reducing under occupation, providers need to understand the nature of housing demand in their area. This means asking some fundamental questions about the profile of applicants and the available housing stock, such as:

- What size of properties are in high demand? This information allows providers to target the right households with visits or information about their downsizing scheme. It also informs decisions such as whether or not to allow a single person or a couple to downsize into a two bedroom property (retaining a single spare room) as this may depend on the availability of two bedroom properties compared to the one that is being recovered
- In which areas is housing in high and low demand? This information allows providers to identify properties that will be desirable for over occupiers. It is also important, when offering downsizing incentives to a tenant, to make sure that their current home will not be hard to let
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- Who will be affected by the planned reductions in Housing Benefit, and how much will they lose? This information allows providers to make contact with under occupiers that are going to be affected and to provide information and advice before the changes are brought in

- For providers in England, what impact will Affordable Rent have? Under the Affordable Homes Programme, providers are being encouraged to relet a proportion of their vacant stock at a higher rate of rent, usually 80% of market rent, to help fund the development of new homes. Providers will need to strike a balance between using their most desirable properties for this purpose and for reducing under occupation.

In addition to this, providers will also need to identify individual under occupiers and to understand their needs and aspirations for a new home. Providers can identify under occupiers by:

- Using information from their housing management system, kept up to date with regular tenancy audits
- General promotion of any incentives that are available for downsizers, such as flyers, articles in their tenant newsletter or magazine and on their website
- Holding housing options events, sometimes aimed particularly at older people
- Seeking referrals from partner organisations, such as social services, who may become aware of under occupiers that are struggling to maintain their home or the Citizens Advice Bureau, who may become aware if an under occupier is struggling with their bills
- Seeking referrals from front line staff, such as Housing Officers and Caretakers.

Once a provider has identified individual tenants that are under occupying they will need to understand what they are looking for from their new home. A home visit is a good way to establish the tenant's preferences. This information can then be stored on a database and used either to:

- Identify suitable properties that become available and assist the tenant in bidding for them
- Identify suitable properties that become available and make the tenant a direct offer
- Match the tenant with an overcrowded household for a mutual exchange.

Does your allocations policy support you to reduce under occupation?

With demand for social housing being so great and many under occupiers likely to only accept properties that are also highly sought after by other applicants, providers need to consider whether their allocations policies allow them to give sufficient priority to households that are downsizing.

To do this allocations policies can either:

- Treat under occupiers as a priority group, even though they are unlikely to have a housing need
- Allow for some properties to be 'ring fenced' for use in reducing under occupation. These properties are then offered directly to under occupiers instead of being advertised via Choice Based Lettings. This could either be a predetermined proportion of properties in a new development or individual properties that are made available to under occupiers as they become vacant.



Practice Example

Torfaen Homeseeker

Torfaen Homeseeker is a joint Choice Based Lettings system covering all social landlords in the area. It prioritises applicants according to a banding system with 5 bands: Emergency Need, Gold Band 1, Gold Band 2, Silver Band and Bronze Band.

Existing tenants with two or more spare bedrooms are automatically placed in Gold Band 1.

Practice Example

Islington Council

Islington Council have created an assisted mutual exchange scheme specifically to match up overcrowded and under occupied households looking to move within the borough.

The scheme works by advertising the under occupier's property online for overcrowded households to express an interest in it. Potential applicants do not need points to apply and are not prioritised according to need. Instead a Mutual Exchange Officer will go through the bids and select those that match the under occupier's preferences. If the under occupier is interested in any of them, the officer will arrange for households to view each other's properties.

Most allocations policies will also not allow a household to move into a property if it has more bedrooms than they require. Providers need to decide whether they are willing to reconsider this in the case of households that are downsizing but would like to retain one spare bedroom.

Are you making use of mutual exchanges?

As well as prioritising them through their allocations scheme, providers can use mutual exchange schemes to move under occupiers without having to wait for a suitable property to become vacant. Some providers now run specific mutual exchange schemes for overcrowded and under occupied households.





Reducing under occupancy

Can you use chain lettings to move several households at once?

Some providers are also using chain lettings, where they identify 'chains' of tenants that are able to move into each others' properties, to reduce under occupancy and get the maximum benefit from their stock.

Chain lettings usually start with a vacant home belonging to the landlord to get the chain started. The chain is complete when the last tenant hands back their old home to the landlord and it is then allocated to an applicant from the waiting list.

Practice Example

Oldham Council

Oldham Council completed a successful chain letting involving 6 households and 4 different social landlords. 2 of these households were under occupying, 3 were overcrowded and one was a homeless applicant. By creating a chain Oldham Council were able to move all of the households into a property that met their needs.

Initially they created possible chains as a desktop exercise by linking together households that had expressed an interest in moving to a larger or smaller property. The households involved were then asked to view the properties while the current tenant remained in situ and, if they were happy, to accept a direct offer of accommodation from the prospective landlord.

Both the tenants and providers involved in the chain were required to be flexible enough to enable moves to be carried out at relatively short notice and to allow non-essential repairs to be carried out after a move, rather than while the property was empty, in order to prevent unnecessary delays.

When a vacant property that was suitable for the household at the head of the chain became available, they were also made a direct offer of accommodation, instead of it being advertised through the Council's Choice Based Lettings system.

Ultimately the property belonging to the household at the end of the chain was advertised via Choice Based Lettings and let to a homeless applicant.

To facilitate the moves an officer from Oldham Council oversaw the whole process and acted as a single point of contact for all of the providers and households involved.

Are you working with other providers in your area?

The best schemes for reducing under occupation allow households to transfer easily between providers in their area, giving them a greater number of properties to choose from. Multi-landlord Choice Based Lettings and mutual exchange schemes are one way of enabling this.

Where a specific scheme for reducing under occupation, such as an incentive scheme, is being developed it is also best to try to develop a single scheme encompassing all of the social landlords in the area.

Practice Example

London Boroughs of Hammersmith & Fulham and Kensington & Chelsea

Two West London boroughs have created a joint scheme called Your Move designed to improve the condition of properties offered to under occupiers to make them more desirable. They identify suitably located one, two or three bedroom properties and refurbish them, including:

- New flooring or carpets
- Redecoration with quality fixtures and fittings
- Improved, easily maintained gardens
- Adaptations, such as walk-in showers and wet rooms for residents with mobility problems.

They allocate a budget for each property and the above provisions are discussed with prospective tenants so that a bespoke service is offered.

Practice Example

Perfect Fit South East & South West

There are currently two Perfect Fit schemes operating in London. These regional schemes allow under occupiers to move easily between boroughs and across landlords.

They operate across 5 and 7 boroughs respectively and have around a dozen participating landlords. Each scheme has a list of under occupying clients taken from the databases of participating landlords and supplemented by referrals generated by scheme publicity and recommendations.

Participating landlords make suitable properties available and they are offered to under occupiers from Perfect Fit's database. Each scheme employs a designated Under Occupation Officer to match tenants with suitable properties and to facilitate moves. They offer practical and financial assistance with the move.

The two schemes are now in the process of merging, to allow tenants to move across a larger area. To date the schemes have helped over 100 tenants to downsize and have a target of 40 moves for 2011.



Further support to reduce under occupancy

CIH has a new Making Best Use of Stock (MBUS) Team who provide support and advice on reducing under occupancy and other issues relating to getting the maximum benefit from existing stock, such as tackling social housing fraud and asset management.

Funding from DCLG has enabled this team to deliver their services to local authorities and housing providers in England without charge. They operate at a strategic level offering advice and guidance on making the best use of housing stock. They seek to share existing good practice, to help providers make the best use of resources and ultimately to help secure improvements in services delivered to tenants.

For more information about the team, or to make use of their services visit www.cih.org/bestuseofstock/

Further information

Other useful resources for reducing under occupancy include:

- Overcrowding and under occupation (Tenant Services Authority guide) - www.tenantservicesauthority.org/server/show/ConWebDoc.19788
- Tackling overcrowding in England (DCLG) - www.communities.gov.uk/publications/housing/tacklingovercrowdingengland
- Code of guidance for local authorities on allocation of accommodation and homelessness (consultation document published by the Welsh Assembly Government) - <http://wales.gov.uk/docs/desh/consultation/110331housinghomelessnesscodeen.pdf>





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