

<b>Committee:</b> Overview and Scrutiny	<b>Date:</b> 6 <sup>th</sup> May 2008	<b>Classification:</b> Unrestricted	<b>Report No.:</b>	<b>Agenda Item No.:</b>
<b>Report of:</b> Michael Keating, Acting Assistant Chief Executive  <b>Originating Officer(s):</b> Jebin Syeda, Scrutiny Policy Officer		<b>Title:</b> Report of the Scrutiny Review Working Group on Choice Based Lettings.		

## 1. Summary

- 1.1 This report is a submission of the recommendations of the Scrutiny Review Working Group on the Choice Based Lettings scheme for the consideration of the Overview and Scrutiny Committee.

## 2. Recommendations

It is recommended that Overview and Scrutiny Committee:

- 2.1 Endorse the report and the recommendations contained within the report.
- 2.2 Authorise the Acting Assistant Chief Executive to agree the final report before its submission to Cabinet.

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Local Government Act 1972 (as amended) Section 100D  
 LOST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

Background paper

Choice Based Lettings documents held with the Scrutiny Policy Team

Name and telephone of and address where open to inspection  
 Jebin Syeda  
 020 7364 0941

### **3. Background**

- 3.1 The Working Group was established in October 2007 to investigate the Council's approach to Choice Based Lettings.
- 3.2 The objectives of the review were to:
- Consider the accessibility of the scheme with a view to improving access particularly for elderly and disabled residents;
  - Consider the impact of the Council's policy to tackle overcrowding in the borough;
  - Consider the medical assessment process and how they work;
  - Consider Homelessness in the context of Choice Based Lettings;
  - Explore resident and other stakeholder understanding of how the process works with a view to addressing any issues identified;
  - Consider the level of transparency in decision making in the allocation of properties;
- 3.3 The Working Group met seven times to consider the evidence for this review, including a visit to the East London Lettings Company to consider how others address the challenge of improving access and met with users and providers to consider local issues to accessing CBL.
- 3.4 The report with recommendations is attached at Appendix A.
- 3.5 Once agreed, the Working Group's report and action plan will be submitted to Cabinet.

### **4. Concurrent Report of the Assistant Chief Executive (Legal Services)**

- 4.1 Safeguards must be included in with 'waiting time prioritisation' to cater for the composite needs of the family to ensure that all categories of applicants are treated equally.
- 4.2 Similarly, whilst considering the introduction of a 'Sons & Daughters' policy there is a need to consider the broader implications of discrimination against groups with greater need in order to ensure that any change in policy treats the needs of all applicants proportionately. A previous 'Sons & Daughters' policy gave rise to a challenge from the then Commission for Racial Equalities and the policy was revised.
- 4.3 Prior to amending the current Lettings Policy there is a requirement to consult secure tenants who are likely to be substantially affected by the change in the policy of the authority. (Section 105 Housing Act 1985).

## **5. Comments of the Chief Financial Officer**

- 5.1 Any financial implications as a result of changes to policy and procedures that may arise following the report will need to be considered at that time.

## **6. Equal Opportunity Implications**

- 6.1 Equalities issues were considered throughout the review. The subject of community understanding of CBL and cohesion related issues were extensively discussed throughout the review. A number of the recommendations have clear relevance to equal opportunities implications.

## **7. Anti-Poverty Implications**

- 7.1 The Choice Based Lettings scheme does have anti-poverty implications; housing affects the quality of the lives of individuals, families and communities. The Equality Impact Assessment should look to identify any anti-poverty implications in addition to the equalities implications.

## **8. Sustainable Action for a Greener Environment**

- 8.1 There are no direct actions for a greener environment arising from the report.

## **9. Risk Management**

- 9.1 There are no direct risk management implications arising from the Working Group's report or recommendations with the exception of legal implications as commented by the Assistant Chief Executive (Legal Service).

## **Appendix A: Report of the Scrutiny Review Working Group on Choice Based Lettings**



**London Borough of Tower Hamlets**

**Report of the Scrutiny Review Working Group on  
Choice Based Lettings**

**DRAFT**

**May 2008**

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## Acknowledgements

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The Scrutiny Review Working Group would like to thank all the officers, Common Housing Register partners, third sector partners, residents and other stakeholders including the East London Lettings Company who have contributed and supported this review. It is unfortunate that former Councillor Louise Alexander is no longer with the Working Group during the consideration of the final report, the Working Group recognises the contributions Louise has made to the review and wishes her well and acknowledges that her contributions have helped to shape the recommendations. The contributions of all those involved has helped to shape how well the review has worked and the final recommendations which are contained within this report.

We feel that the report has highlighted some important and challenging issues.

### **Working Group Chair:**

Councillor Alex Heslop (Labour)

### **Working Group Members:**

Councillor Timothy Archer (Conservative)

Councillor Louise Alexander (Liberal Democrat)

Councillor Bill Turner (Labour)

Councillor Shahed Ali (Respect)

Councillor Rofique Uddin Ahmed (Labour)

Councillor Ann Jackson (Labour)

### **Other Members:**

Councillor Marc Francis (Labour), Chair of Overview & Scrutiny

Councillor Shafiqueel Hoque (Cabinet Member)

Councillor Rupert Bawden (Cabinet Member at the time of the review)

Councillor Ahmed Hussain (Respect - at the time of the review)

Councillor Clair Hawkins (Labour)

### **London Borough of Tower Hamlets**

Maureen McEleney – Director, Housing Management

Jackie Odunoye – Head of Housing Strategy and Development

Rafiqul Hoque – Lettings Services Manager

Sarah Pace – Housing Strategy Manager

Colin Cormack – Head of Housing and Homeless Advice

John Harkin – Client Support Team

Michael Keating – Assistant Chief Executive

### **Scrutiny and Equalities:**

Afazul Hoque – Scrutiny Policy Manager

Jebin Syeda – Scrutiny Policy Officer

Hannah Bailey – Scrutiny and Equalities Support Officer

### **External:**

Michael Tyrrell – Chief Executive, **Tower Hamlets Community Housing**

Gaye Brown – Lettings Manager, **East End Homes**

Audrey Sutherland – Lettings Manager, **Poplar Harca**

Sandra Fawcett – Housing Director, **SWAN Housing Group**

Stephanie McDonald – **Spitalfields Housing Association**

Tim Madelin – **Primary Care Trust**

Shiraz Bhaiji – **Development Director, East London Lettings Company**

**Contribution to service users and providers focus group were received from the following organisations and some of their service users:**

Tower Hamlets Access Group

Link Age Plus

Client Support Team

Tenancy Support Team

Carers Centre Tower Hamlets

Consultancy Plus

## Chair's Foreword

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The Government's approach to housing and homelessness has pushed for change in the quality of housing through the Decent Homes Standard and the allocation of housing through the Choice Based Lettings Scheme and policy. Gone are the days when it was individual officers making important decisions about who gets housed and when, making an impact nationally and locally here in Tower Hamlets.

The Choice Based Lettings Scheme offers information to residents on the housing stock available and enables them to make decisions about where they wish to live, the Scheme is dependant on a policy which is not easily accessible for the community, often leading to misunderstandings.

This report follows a 6 months long inquiry by the Scrutiny Review Working Group in which a users and providers service improvement focus group proved to be invaluable in informing the review, identifying in particular, issues around access and community understanding. We also visited the East London Lettings Company to learn about how others rise to the challenges of improving access and community understanding, potentially providing residents with real-time feedback on any bids they place. The visits and the discussions have been very interesting and useful for the review and I'd like to thank all the staff and residents who have participated in this inquiry and helped inform our recommendations.

It has been a challenging and exciting review to work on and I believe we've come up with some equally challenging and exciting recommendations. The recommendations outlined in this report are intended to improve access, choice, quality and outcomes, tackle overcrowding and support better understanding of Choice Based Lettings. We hope all the parties involved will take the opportunity to address the issues highlighted in this report.

Finally, I would like to thank all the Councillors who participated in this review and Rafiqul Hoque and Maureen McEleney from Housing Lettings Service for their continued support throughout the course of the review.

**Councillor Alex Heslop**  
**Scrutiny Lead, Living Well**



## **Introduction and recommendations**

### **Introduction**

1. With over 20,000 households now on the council's waiting lists for re-housing, the operation of the Choice Based Lettings scheme is clearly an issue affecting a significant proportion of our community. But interest in and concern about the way housing is allocated stretches well beyond those directly affected. The way individuals and groups are prioritised, has been at the heart of the tensions between communities in the East End for more than three decades. Whilst the review did not explicitly set out to examine the role of the local CBL in promoting community cohesion, our work was consistently drawn into that sphere.
2. The Choice Based Lettings (CBL) Scrutiny Review Working Group was established in October 2007 and undertook its research over the next six months. A large number of Members Enquiries are generated on the subject of lettings and overcrowding is a well established challenge for the Borough. Whilst the service has pioneered the Accessible Housing Register and improved information to inform decisions for disabled applicants, it was important for the Working Group that a much wider range of issues for the community were addressed.
3. The main aim of the review was to look at the accessibility and effectiveness of the scheme focusing on the needs of elderly and disabled residents; in addition to this focus, the review set out to look at the following areas in relation to Choice Based Lettings:
  - Tackling overcrowding in the borough;
  - Medical assessments;
  - Homelessness and Choice Based Lettings;
  - Exploring resident and other stakeholder understanding of how the process works;
  - Transparency in decision making in the allocation of properties;
4. The Working Group<sup>1</sup> agreed to investigate these issues, and hoped to make recommendations that would help improve access to the service, particularly for elderly and disabled residents and make a useful contribution to improving the service in the areas mentioned above. The Working Group established was politically balanced, and chaired by Councillor Alex Heslop, Scrutiny Lead for Living Well.
5. A number of key issues were noted by the Working Group at the outset, including complexity of managing the Choice Based Lettings policy, the varying level of community understanding of CBL and the challenge for the service in providing a key service, often determining the quality of life for residents of Tower Hamlets, where demand is exceptionally high and the supply limited.
6. The Working Group undertook a users and providers service improvement focus group and met with a number of third sector/external organisations to examine the barriers that are limiting access to Choice Based Lettings and how the service can be improved. This was a very useful session, and provided the Working Group with a good insight into some of the issues facing users and providers who are assisting clients with accessing CBL, this proved to be an invaluable way to inform the review. A visit to the East London Lettings Company was also made to learn how others have dealt with the challenge of improving access.

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<sup>1</sup> The term Working Group is a reference to the Scrutiny Review Working Group - Members nominated to the review and all stakeholders who may have presented evidence or attend the review session.

7. The Scrutiny Working Group held a special focus session on medical assessments and the impact of homelessness on CBL. In addition to this, the Corporate Parenting Group presented evidence to consider on foster carers housing needs. And finally the Working Group considered Capital Moves – a proposed pan-London project to deliver wider choice and mobility for re-housing applicants. The Seaside and Country Homes Scheme was also considered.
8. The Working Group's recommendations focus on a number of areas that require consideration. They are intended to support the findings and recommendations of other improvement initiatives and further improve access to, and public understanding of Choice Based Lettings in Tower Hamlets as the Borough looks towards introducing the Arms Length Management Organisation.

### **Recommendations**

9. For purposes of this report, the findings of the Working Group has been set out in the following 4 key themes:
  - **Improving customer access and community cohesion**
  - **Improving quality and outcomes for community groups**
  - **Tackling overcrowding**
  - **Widening choice and access to social housing**
10. Having considered the evidence, the Working Group has put forward the following recommendations:

#### **Improving customer access and community cohesion**

1. That research is undertaken to identify whether bidding habits are based on positive attributes or constraining factors and to identify the ability of the system to work with different community needs to identify how far CBL promotes or otherwise community cohesion;
2. That a full Equality Impact Assessment of CBL is undertaken in 2009/2010 including giving consideration to impact on community cohesion;
3. That work is developed to address the issue of the lack of transparency in decision making to improve community understanding and expectations of CBL, including communicating positive stories to the community to address perceptions of unfair community lets, changing the policy to allow 2 bids only per applicant per bidding cycle, replacing the coupon system;
4. That service improvement activities are developed based on the feedback obtained from the users and providers service improvement focus group with particular focus on improving access for those who have sensory disabilities and improving customer understanding of CBL;
5. That LBTH joins the East London Lettings company subject to a full feasibility study of what ELLC can offer to LBTH residents;
6. That a Local Lettings Plan is adopted for all new developments of 20 units or more affordable homes to promote mixed tenure, mixed communities and sustainable housing and delivering priority for adult children of existing social tenants by setting a specific proportion for this group;

## **Improving quality and outcomes**

7. That an open, non-discriminatory Sons and Daughters policy be considered for adoption as part of the new lettings policy and as part of the Council's affordable homes policy;
8. That Childrens Services research ways in which shared ownership might be used to assist foster carers where accommodation is a barrier, in addition to Housing prioritising adult children for housing to free up accommodation for foster carers;
9. That a review is undertaken of the medical assessment process to address concerns of accuracy and quality and give consideration to best practice, with a view to improving the transparency of the process, extending the time for appeals, , researching other potential providers for the service, sampling a work undertaken by Now Medical and considering introducing self assessments;
10. That Tower Hamlets should actively lobby DCLG Ministers to issue guidance and if necessary legislation, allowing local authorities to introduce the waiting time-based approach to lettings. LBTH should be prepared to campaign in support of these changes in partnership with other local authorities.
11. That a transitional period of between 12 months and two years should be put in place to protect those homeless families already in the system should waiting-time based approach be successful.

## **Tackling overcrowding**

12. That targeted work be developed to tackle overcrowding, including targeted work with under-occupiers, as part of this work review the Cash Incentive Scheme and the financial incentives for under-occupiers as to ensure the housing stock is used in the best way to reduce overcrowding ,working with partner RSLs to develop and fund initiatives;
13. That Overview and Scrutiny Committee conduct a through review of overcrowding which will assist the Council in developing an effective Overcrowding Strategy, potentially including research into the impact of overcrowding on health and education and using this to assist housing to secure funding to roll-out the Overcrowding Project with a view to assisting more overcrowded families;
14. That the Lettings policy be revised to reflect the changes proposed under the 'Bedroom Standards'
15. That RSL partners seek to use Right to Acquire receipts to buy back properties direct from leaseholders; That targeted work be developed to tackle overcrowding, including targeted work with under-occupiers giving consideration to allocating direct lets similar to Newham's policy. As part of this work review the Cash Incentive Scheme and the financial incentives for under-occupiers with a view to using the stock in ways to reduce overcrowding working with partner RSL to develop and fund initiatives;

## **Widening choice and access to social housing**

16. That Tower Hamlets should press the Mayor of London and the Government to reduce the proportion of lettings on new-build through Capital Moves to 25 per cent, and to equalise the numbers of accessible homes let through Capital Moves. It should also insist that Capital Moves develop a minimum standard of advertising of the properties allocated through the Pan-London Scheme to secure a common standard of accessibility. Residents should be fully consulted before a decision is reached whether to introduce the scheme;
17. That Tower Hamlets should press the Mayor of London and Housing Corporation to make funding available to expand the Seaside and Country Homes Scheme;
18. That the Council should invite other local authorities in London to identify best practice in promoting and facilitating mutual exchanges;
19. That the Council should undertake a review of Key Worker Housing in the Borough, specifically looking at its affordability and the problems experienced by those with families in non-secure/assured tenancies;
20. That the Council should undertake a review of Sheltered Housing Lettings Policy to make sure that this resource is used effectively.

## Background

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### Introduction

11. Housing is a significant aspect of lives of individuals and families in the community, it represents far more than just bricks and mortar. In the context of Tower Hamlets, the challenges are acute – extremely high demand and very limited supply to meet the demand. The East End has historically been a settling point for new and emerging communities and poverty and deprivation has usually been widespread, making “a decent home for all at a price within their means” all the more important. Given the context, it’s just as important that the policy for allocation is transparent and fair.
12. By the early 1980s, the massive expansion of council estates and migration out of Tower Hamlets had made real strides in replacing bomb-damaged pre-war housing. Residents had some hope that they and their children would be able to get a decent and affordable council home after a relatively short wait of a few years. Over the years, due to stock loss through the Right to Buy, the number of units has dwindled.
13. The Housing Act 1996 governs the allocation of social housing and is a statutory function set out to allocate based on need, to give *reasonable preference* to particular groups in need such as those overcrowded, homeless and those with medical needs.
14. The Government would prefer that all local authorities operate a lettings scheme which is based on applicants having choice, Choice Based Lettings (CBL) was adopted in Tower Hamlets in 2002. Department for Communities and Local Government (DCLG) commissioned research which produced positive findings, mainly that CBL improved tenancy sustainment, produced better outcomes for homeless households, provides more flexibility in social housing options with choice and control to applicants to enable them to make decisions and reduce ethnic segregation. It also recognises that the policy is complex and can be difficult for applicants to fully grasp leading to confusion and frustration.

### National Context

15. The Housing Green Paper ‘Homes for the future: more affordable, more sustainable’ sets out with the focus of supplying additional affordable housing and improving the condition of existing housing in the context of house prices rising more steeply in relation to income (affordability), a commitment to improve supply (need and supply) and to meeting the challenges presented by climate change.
16. The recent Hills report ‘Ends and means: The future roles of social Housing in England’ paints a rather gloomy picture of the profile of social housing tenants. Social Housing tenants are more likely to be on low income and not be in employment, they are more likely to be disabled, a lone parent or single person and they are more likely to be aged over 60. A significant proportion (27%) of social tenants are likely to be from the black or minority ethnic household, approximately 50% are likely to be Bangladeshi and 43% from black Caribbean and black African community.<sup>2</sup> Given this, the Working Group were particularly concerned that the review look at access to CBL for elderly and disabled residents and also housing issues which may be adversely affecting particular community groups.
17. The national debate on community cohesion sparked by the Cattle report, *Community Cohesion: A Report of the independent Review Team*<sup>3</sup> followed the riots

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<sup>2</sup> Ends and means: The future roles of social Housing in England’ John Hills 2007

in Burnley, Bradford and Oldham. Cantle outlined a number of areas that needed to be addressed to promote community cohesion. It recognised in particular that the debate on community cohesion and housing policies needed to be had. It recommended that:

*'Housing agencies must urgently assess their allocation systems and development programmes with a view to ensuring more contact between different communities and to reducing tension.'*<sup>4</sup>

18. This debate is as relevant in Tower Hamlets as anywhere else in the country. Given the diversity of the borough and it being the settling point for new and emerging communities, housing has always been a touchstone issue. The recent Young Foundation study 'The New East End: Kinship, Race and Conflict' talks of the diminished support networks in communities for which the authors pin the blame on the welfare state. They claim that housing policy based on needs where contributions of the past are not considered in distribution, has stirred up racial tension and left the white working class community embittered and fragmented.<sup>5</sup>
19. More recently in 2007, Our Shared Future<sup>6</sup> – a report by the Commission on Integration and Cohesion states that settled communities are worried about the fair allocation of public services with some thinking that immigrants and minorities are getting special treatment. This is further compounded by the national picture of the rights and freedom of immigrants being restricted. The Commission believes that work needs to be developed to dispel this myth and that the key to this is communication. In this context, the report recognises CBL as a positive innovation.
20. Starting with a new definition of cohesion, the report adopts four key principles which drive understanding of integration and cohesion. These being:
  - *shared futures*- what binds communities together;
  - *new model of rights and responsibilities* – obligations of being a citizen;
  - *new emphasis on mutual respect and civility* – community understanding and respect in the context of change, and;
  - *visible social justice* – transparency, fairness and trust in the institutions that provide services to the community.We know from the focus group that transparency and fairness were key issues for both users and providers.
21. In December 2007, the Department for Communities and Local Government (DCLG) published *Tackling Overcrowding in England: an Action Plan* in December 2007 in response to an earlier discussion paper on the issue of overcrowding. Living in overcrowded housing can have a detrimental affect on the lives of families, with under-performance by children in schools caused by lack of space to study, stress and depression, and in worst-case scenarios, domestic violence and the breakdown of relationships. Shelter estimates that children growing up in bad housing conditions are 25% more likely to suffer ill-health and disability during childhood / early adulthood.
22. The statutory standards that define overcrowding have not been revised since their introduction in 1935. Whilst the concerns then around the 'room standard' (decency through the separation of the sexes) and the 'space standard' (provision of adequate space) are relevant today, the standards considered suitable seventy years ago no

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<sup>4</sup> Community Cohesion: A report of the Independent Review Team, Ted Cantle, 200

<sup>5</sup> The New East End: Kinship, Race and Conflict, Michael Young et al, 2006

<sup>6</sup> Our Shared Future, Commission on Integration and Cohesion, 2007

longer fit with modern-day housing expectations. DCLG are now asking local authorities to increase their focus on tackling overcrowding.

- 23.** The role of social housing need not be static; indeed the challenges have changed over time since the post-war inception of social housing at the scale in which it was introduced. The number of households is set to grow, more so in London and meeting the decent homes agenda continues to push for quality of social housing. The challenges of striving for mixed tenure areas and supporting mobility and livelihoods is high on the national agenda – the development of regional and/or sub regional allocations are part of this agenda and Capital Moves is the current initiative to push this. Affordability continues to be an issue nationally and more so in London given that property prices have gone up steeply in relation to income. Overcrowding is still an issue in the social rented sector and the Mayor is now asking local Authorities to put together strategies for tackling overcrowding. These challenges mirror some of the challenges the authority is facing locally.

### **Local Context**

- 24.** The Council has a vision to “improve the quality of life for everyone living and working in Tower Hamlets”. The well established Community Plan which is currently being refreshed sets out a vision for Tower Hamlets to 2010 and Choice Based Lettings contributes to this. The data from the 2001 Census<sup>7</sup> indicates a rapidly growing population and the Draft Mayor’s Housing Strategy<sup>8</sup> indicates the trend is likely to continue. The borough now has the highest population densities in inner London. The Census data also shows that the make-up of the borough is ethnically very diverse with almost half from minority ethnic communities. 34% of the population is from the Bangladeshi community, the single largest minority ethnic population. Overcrowding continues to be an issue with this community with some 64% of households registered for transfer lacking one or more bedrooms.
- 25.** The population of Tower Hamlets is comparatively young. The 24-30 year old group represents 34% of the total population and a further 22% is under the age of 15 years of age. Together with this, the elderly population is forecasted to grow along side the population of young people which highlights the need for smaller size accommodation whilst the need for larger size accommodation is evident. The Housing Strategy does well to recognise the diversity of the borough and does take in to consideration the demographics of the local area in setting out the strategy. The particular needs of community groups in accessing housing must be addressed.
- 26.** In the context of high demand for affordable housing, acute housing needs and the limitations of the availability of affordable housing options, the Choice Based Lettings Service sets out to distribute a very small supply of homes in a highly populated area where the demand is very high.

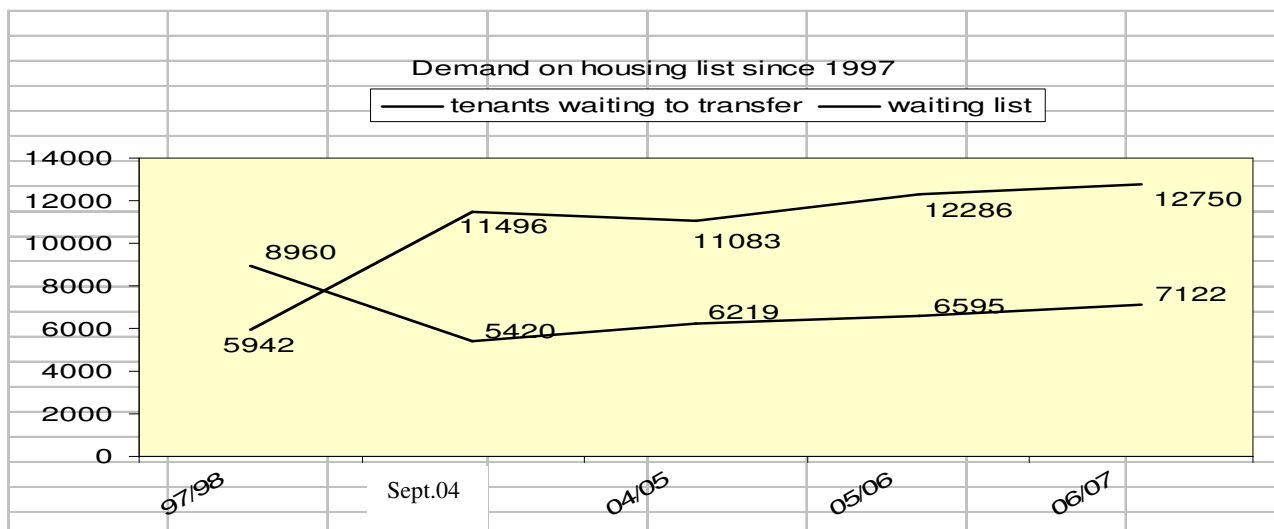
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<sup>7</sup> <http://www.statistics.gov.uk/cci/nscl.asp?ID=7600>

<sup>8</sup> <http://www.london.gov.uk/mayor/housing/strategy/index.jsp>

## Housing list demand

27. The demand on the Housing waiting list and those waiting to transfer continues to grow. The table below demonstrates the increase in demand on social housing locally.



**Figure 1- social housing demand since 1997**

## Diversity in Housing

28. Similar to the Hills report, the profile of those living in social housing in Tower Hamlets are more likely to be from the Black Minority and Ethnic community. Asian households are more likely to be living in Council housing. Black households are most likely to be living in RSL rented accommodation (34%)., while White households have a broadly similar likelihood of living in Council accommodation (26%), having a mortgage (24%) or living in private rented accommodation (22%).

29. Four out of five (79%) households which have members with special needs live in social rented housing. This is considered to be reflective of the lower incomes generally available to this group of households, and the fact that the social rented sector is more likely to contain property specially suited – with adaptations or support – to the requirements of households with special needs. Special-needs households are extremely unlikely to be living in private rented accommodation. Households with one or more persons with special needs are more likely to be in housing not suited to their needs: 38% are, compared to 22% of households where there are no special needs.<sup>9</sup>

## Overcrowding.

30. Asian households are more likely to be significantly larger than those of other ethnicities. The average number of people in an Asian household was found to be 4.3, in contrast to 1.9 persons in a White household and 2.4 persons in a Black household.<sup>10</sup> Consequently, Asian households are more likely to be overcrowded. The *2001 Census* determined that seven out of ten (70%) have at least one room less than they require, compared to a half (48%) of Black households and a quarter (23%) of White households.

<sup>9</sup> Housing Needs Survey

<sup>10</sup> Housing Needs Survey. Households were ascribed the ethnicity of the survey respondent.

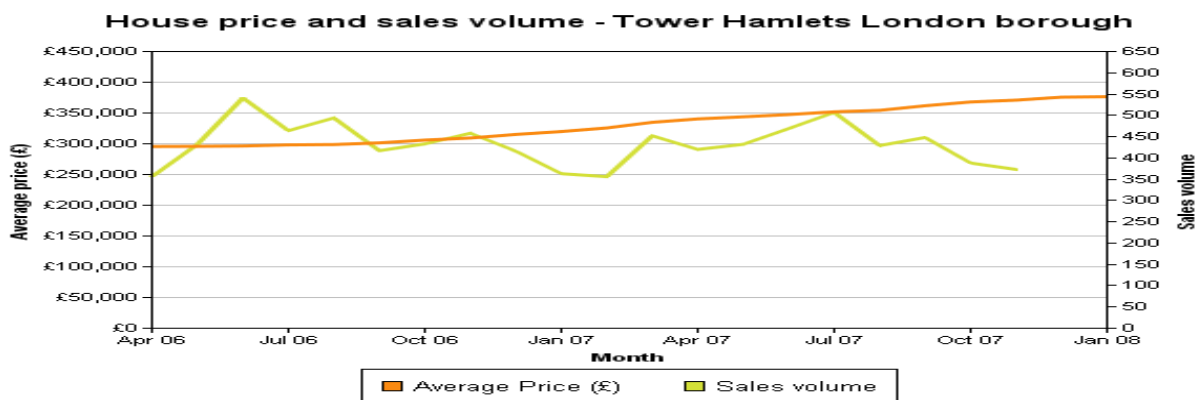


31. The *Housing Needs Survey*<sup>11</sup> used a tighter definition of overcrowding, based on the Bedroom Standard, which, while showing much smaller totals, also revealed even greater discrepancies. It shows 32% of Asian households as overcrowded, compared to 12% of Black households and 4% of White households. The borough average was 12%.

### Broader housing unsuitability.

32. Although overcrowding is the leading cause of housing unsuitability, mobility and health problems, disrepair, and the inability of families to live under the same roof were also leading causes of concern to people in 2004.<sup>12</sup> If the stricter approach to defining overcrowding is taken, then half (48%) of all Asian households were in unsuitable housing in that year, compared to one in three (34%) of Black households and one in seven (14%) White households.

### Affordability



**Figure 2 - Average prices in Tower Hamlets by sale volume<sup>13</sup>**

33. The demand for social housing may be exacerbated by the rise of house prices in the private market, leaving many in Tower Hamlets unable to buy or rent and meet their housing needs through the private market. Information in the Housing Needs Surveys 2004, indicates that 63.8% of all households in Tower Hamlets fall below the threshold of affordability to be able to afford market housing. For the different tenures, 99% of council tenants, 94% of RSL tenants and 59% of private renting tenants fall below the threshold of affordability to be able to afford market housing. In the last year alone, prices continued to rise steadily with the average price of property being in excess of £300,000. At the same time, the cost of renting has also increased, often to prohibitive levels, with many residents remaining dependant on the social rental sector to meet their housing need.

### Quality of Housing - meeting Decent Homes Standards

34. The Decent Homes programme was launched in 2000 requiring all housing to be of prescribed standard by 2010. Locally, this has been implemented through the Housing Choice programme of stock transfers to Registered Social Landlords. Those estates that did not transfer will be managed by an Arms Length Management Organisation – Tower Hamlets Homes.
35. The Housing Choice programme has brought in significant funding to invest in bringing housing to Decent Homes Standard. The process of balloting for transfer to alternative management with residents decision being to remain with the Council

<sup>11</sup> Housing Needs Survey. 2004

<sup>12</sup> Housing Needs Survey. 2004

<sup>13</sup><http://www.landregistry.gov.uk/houseprices/housepriceindex/report/default.asp?step=4&locationType=0&area=Tower+Hamlets&reporttype=1&datatype=1&from1=04%2F2006&from2=01%2F2008&image2.x=13&image2.y=16>

means challenges in meeting the Decent Homes Standards. The amount of stock which falls below the DHS has been reducing over the years, in 04/05 78% of stock was below the standard and in 06/07 the level of stock which was non-decent was 62%.<sup>14</sup> Clearly there is a large amount of stock which is needing to be brought up to DHS. The current Arms Length Management Organisation bid is seeking to secure the funding needed and to extend the deadline to 2016.

### **Homelessness**

- 36.** The Housing Needs Survey 2004 estimates that 3,000 people were without a permanent home in the borough in 2004. For the year 2003/2004, there were 1,657 households accepted as homeless and in priority need in Tower Hamlets, the majority from Black or Asian minority ethnic groups. With the anticipated population expansion, demand for affordable housing is further likely to outstrip supply<sup>15</sup>. Hundreds more single homeless people have no priority and must wait.
- 37.** Given this context and the issues highlighted by some of the research mentioned earlier in the report about community understanding of CBL, it was important to appreciate that there is no quick and easy solution to the housing crisis in Tower Hamlets. Thousands of households will continue to have to wait years for the decent and affordable home they need. However, it is possible to envisage changes to the CBL which could have some beneficial impact, particularly in terms of generating increased public understanding and therefore confidence in the allocation of those homes.

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<sup>14</sup> Figures cited are in accordance with Best Value performance indicators

<sup>15</sup> Tower Hamlets Primary Care Trust Health Report, 2007).

## Findings

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### Improving customer access and community cohesion

38. The Working Group recognises the progress of CBL in strengthening customer access and choice. It has been a positive step away from the somewhat paternalistic approach to allocating housing that became the norm after the Second World War. However, across a number of review sessions concerns were consistently raised about the continuing lack of transparency of the CBL system and the misunderstandings that residents have about the allocation process. The complexity of CBL can cause confusion and frustrations leading to misconceptions in the community.
39. The Working Group recognised the need to manage expectations which if left unmanaged will continue to make residents feel confused and frustrated. Moreover, it can add to anxiety and stress making matters worse for particularly vulnerable applicants, such as those with mental health issues. The Working Group discussed whether the result of a bid could be reported back to the applicant in order to inform future bids. This has the added advantage of increasing the transparency of what is often perceived to be an unfair and complicated system. The role of local agencies and local Councillors was recognised in addressing any community concerns.
40. A large number of Members Enquiries are generated due to poor understanding of the CBL scheme and lack of information fed back to applicants. Members Enquiries can provide the position of the applicant and their bidding history. If an automated real-time response could be generated at the time of bidding, applicants would have a better understanding of the system and make more realistic bids. When real-time feedback was introduced in the London Borough of Hackney, customer satisfaction rates improved noticeably. This would have the added bonus of reducing the number of Members Enquiries to the Lettings Section.
41. Research looking at bidding habits and preferences and whether applicants made bids based on positive attributes or constraining factors to demonstrate whether the CBL scheme operating was addressing community cohesion issues would have been informative for the Working Group as would research into how well the scheme works with different communities.
42. The current bidding system allows applicants to bid for as many properties as they wish. Analysis indicates that applicants often also bid for properties larger or smaller than that which they have been assessed as needing. This can add to expectations of being housed soon without knowing realistically what the chances are of being housed. Again, this can lead to frustration and misunderstandings about how the housing allocation policy operates. The Working Group noted that many other authorities place a limit on the number of bids that can be made in each cycle.
43. Analysis by the Housing Service demonstrates that bidding method preferences have changed over time. Web based bidding has increased over the years and is the most preferred method followed by telephone bidding. Coupon bidding is still used and focus group participants indicated that this is more likely to be used by vulnerable members of the community.
44. Some of the difficulties with the coupon system was the difficulty of getting coupons registered and the uncertainty of whether a bid has been registered if the coupon is dropped off at a Local Housing Office or a One Stop Shop (limited number of venues). Receipts are not given for coupons, adding to the uncertainty. Administratively, it can be costly. The Working Group felt that consideration should

be given to discontinuing the coupon system; however, this must be preceded by comprehensive consultation and an impact assessment given the number of potentially vulnerable tenants currently bidding via coupons.

### **The East London Lettings Company**

**45.** The East London Lettings Company set up a technology enabled facility to advertise and enable bidding to establish cross-borough mobility. Exchanges of property between boroughs are made on a balanced reciprocal basis. It currently works with a number of other boroughs and housing associations with a view to promoting customer choice, user friendly accessible services and forming partnerships that extend choice and secure Best Value. The visit to the East London Lettings Company demonstrated that the bidding system works with:

- Up to 2 bids per household per cycle
- Weekly cycle with 4 days for the applicant to bid
- Real-time feedback
- Labelling to indicate eligibility
- Location information, images and marketing information in writing and symbols
- No refusal penalty
- 170 service access points including the web, kiosk website, multi-lingual phone, magazine and text

The system demonstrated a drop in complaints; Hackney experienced a higher level of customer satisfaction. The Working Group noted that it would be possible for LBTH to join the ELLC. It also noted that there was no requirement to adopt a common lettings policy prior to entry, and that the Council could continue to advertise properties through East End Life. The greatest advantage of joining ELLC for Tower Hamlets would be the ability of the system to provide real-time feedback enabled by the technology.

**46.** Increased transparency and better understanding of the scheme should reduce perceptions of unfairness. The Equality Impact Assessment was undertaken at the inception of CBL, the scheme should now be reviewed as the Race Relation Act 2000 requires the service to review the assessment every 3 years. Members felt that given the recent debate around community cohesion and the community issues around the lack of transparency, a review of the impact of the scheme would be beneficial, particularly given the Young Foundation report.

**47.** Overcrowding is recognised as an issue and the Working Group highlighted a number of cases where applicants who were overcrowded and had been waiting many years to be housed were increasingly viewing the system as unfair.

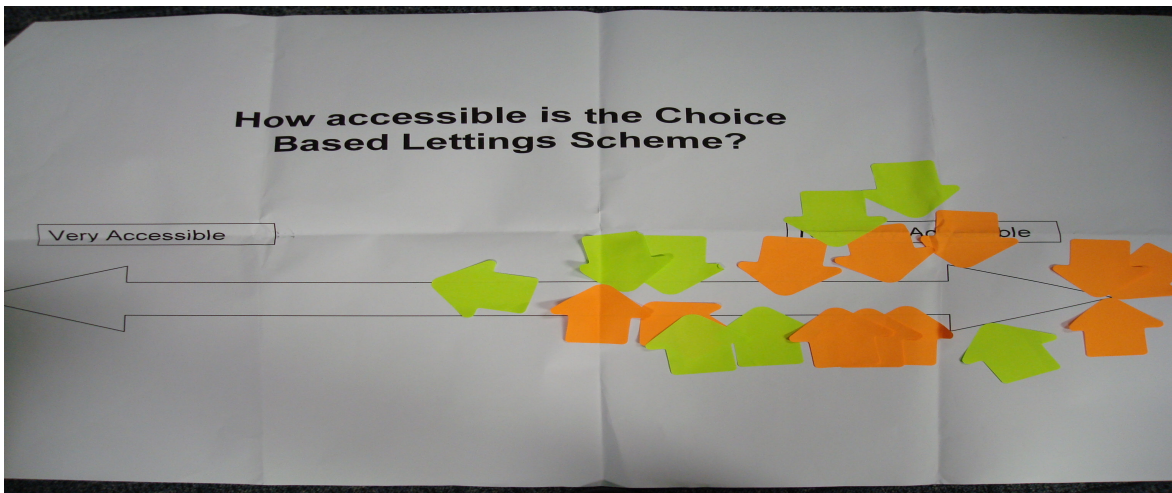
**48.** It was unclear as to how decisions were made about the percentage of lets for those in different situations such as the proportion of lets to homeless households. Given the complexity of this and the issues raised about the lack of transparency of CBL locally, the national agenda to create mixed sustainable communities and the discussion details under the Sons and Daughters policy, the service should look to produce Local Lettings Plans which sets out the allocations percentages for those homeless, overcrowded, those in medical priority and other groups it deems fit. There was potential that disabled families were not getting access to new build properties. A Local Lettings Plan would begin to address the community cohesion agenda and promote mixed tenure, mixed communities. It was recognised that this needed to be transparent and truly deliver mixed communities and be sustainable for the future.

**Users and providers service improvement focus group**

49. A focus group of users and service providers looked at access to CBL, barriers and improvements. The session was well attended by 25 attendees, including a range of service providers (5), service users (4) and a politically balanced mix of councillors (8).

**Feedback from the session:**

50. When indicating how accessible the Choice Based Lettings Scheme is the indications were made by placing a sticker on a continuum rating the access issue from very accessible to not accessible. The photograph below illustrates the views of those who attended.

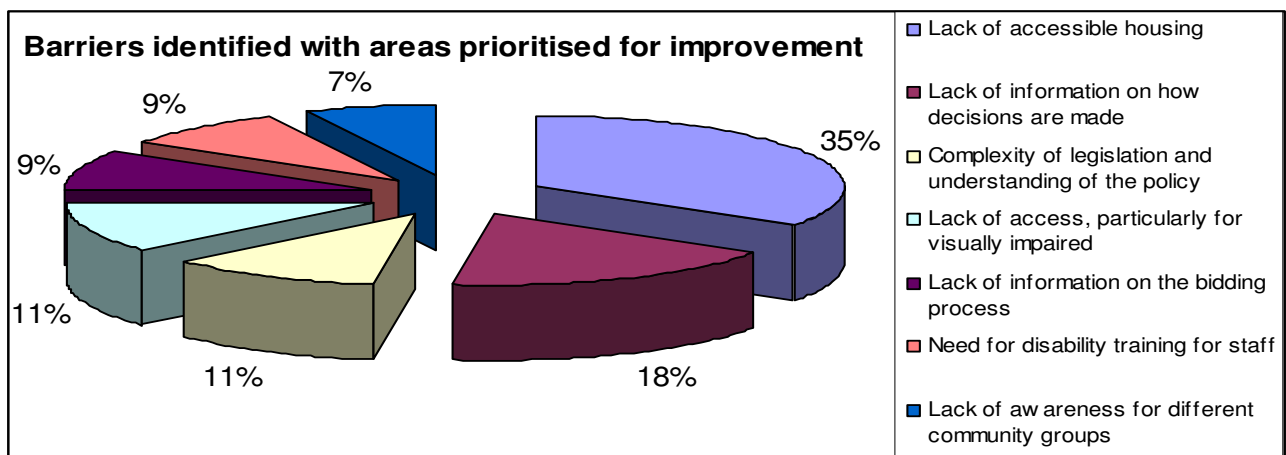


**Figure 3 – Rating access to Choice Based Lettings**

51. Participants were asked to place stickers reflecting on the current use of the scheme. Discussions took place about how the scenario would look prior to the work on the Accessible Housing Register and the Overcrowding Project; whilst the benefits of both were recognised, there was still some way to go particularly working with those with sensory disabilities and it was felt that the service needed to make changes to improve access for all disabled people to enable them to make informed decisions.

**Priority areas for improvement - barriers**

52. Based on discussions amongst the attendees focusing on what the barriers are to CBL and what support or guidance might be needed from the service to improve access, a number of key barriers were identified. These were then prioritised to identify which of the areas needed most urgent attention for service improvement.



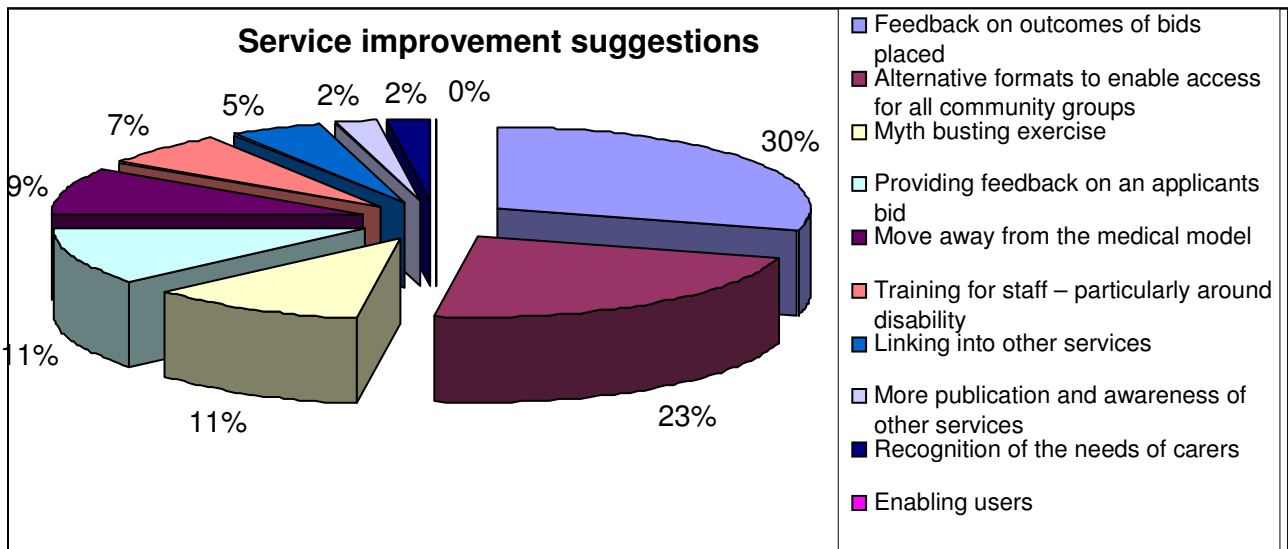
**Figure 4 – Barriers to CBL prioritised as areas needing improvement**

53. Whilst recognising that the chronic shortage of accessible housing lies at the heart of this problem, participants felt that more could be done to make the process barrier-less. The areas highlighted above indicates that work needs to be done to improve users and providers understanding of how the policy works in practice, including an explanation of how lettings are prioritised between different needs groups. The other key barriers are access for those who are visually impaired and staff understanding of disability issues, it was felt that training for staff would increase their understanding of issues affecting disabled people.

**Support from the Lettings Service**

54. Tower Hamlets has been at the forefront of developing a re-housing service for disabled people that is mainstreamed as part of the CBL bidding system. The Accessible Housing Register aims to provide disabled people with the information they require in making decisions to bid for suitable properties.

55. There was recognition in the Working Group that the Accessible Housing Register has made impact and improved and enabled disabled people to make an informed decision on accommodation based on the stock available. There was also a recognition that the service now needed to move the focus to those with sensory impairments and enable those with sensory impairments to make informed decisions. This was raised very strongly by 2 service users who attended and were both visually impaired to varying degree. A number of areas needing improvements were discussed and the attendees then prioritised the areas for support and guidance.



**Figure 5 – Service improvement suggestions prioritised for service improvements**

56. The need for receiving feedback on bids was highly prioritised as was the need for alternative formats to enable access, particularly for those with sensory impairments. A number of issues are highlighted in the diagram above.

57. In considering issues with access to the CBL bidding system and the discussions about community understanding (community cohesion), and having visited the East London Lettings Company, the Working Group would like to forward the following recommendations and welcome the feedback received from the user and providers service improvement focus group:

## **Recommendations:**

- 1. That research is undertaken to identify whether bidding habits are based on positive attributes or constraining factors and to identify the ability of the system to work with different community needs to identify how far CBL promotes or otherwise community cohesion;**
- 2. That a full Equality Impact Assessment of CBL is undertaken in 2009/2010 including giving consideration to impact on community cohesion;**
- 3. That work is developed to address the issue of the lack of transparency in decision making to improve community understanding and expectations of CBL, including communicating positive stories to the community to address perceptions of unfair community lets, changing the policy to allow 2 bids only per applicant per bidding cycle, replacing the coupon system;**
- 4. That service improvement activities are developed based on the feedback obtained from the users and providers service improvement focus group with particular focus on improving access for those who have sensory disabilities and improving customer understanding of CBL;**
- 5. That LBTH joins the East London Lettings company subject to a full feasibility study of what ELLC can offer to LBTH residents.**
- 6. That a Local Lettings Plan is adopted for all new developments of 20 units or more affordable homes to promote mixed tenure, mixed communities and sustainable housing and delivering priority for adult children of existing social tenants by setting a specific proportion for this group;**

### **Improving quality and outcomes for community groups**

- 58.** Looked after children and those who may need housing needs to be assessed as a result of medical condition, were considered with a view to improving the quality of the service received and ultimately the outcomes for the applicant. Homelessness was also considered in addition to the Sons and Daughters policy.

### **Homelessness**

- 59.** The local authority has a duty under Part VII of the Housing Act 1996 to provide suitable temporary accommodation to those who are eligible following an assessment. Whilst the process is a statutory function and is driven by national targets, the key is how allocations and homelessness framework can work together to best meet housing needs.
- 60.** The number of appeals with homeless households has reduced significantly since the inception of CBL. Post-CBL the prospects of the appeal being successful was low as the match to property with the households need would be technically appropriate i.e. the service allocated a property based on assessment of need, the number of bedrooms needed etc would be technically accurate.

Year	Applications	Acceptances
2002/3	2,167	1,617
2003/4	2,118	1,657
2004/5	1,709	1,151
2005/6	1,456	789
2006/7	1,317	864
2007/8	619 [to 30/9/07]	325 [to 30/9/07]

**Figure 6 - Number of applications and acceptances under homeless duty 2002 – 2008**

61. The number of applicants formally presenting themselves to the Homeless Service has decreased significantly over the years, resulting in a proportionate reduction in the number of full homeless duty acceptances. This is a direct result of Tower Hamlets effective approach to homelessness prevention, for example through the use of rent deposits and mediation.
62. Nevertheless, the number of lettings going to homeless households is significant. Furthermore, it is unclear as to how decisions are made about the percentage of lets for those in different situations such as the proportion of lets to homeless households.

#### **Looked after children and foster carers.**

63. The borough places 75% of children looked after outside the borough and only 25% within Tower Hamlets. The Corporate Parenting Group (CPG) presented evidence to support the placement and priority of foster carers for housing. The foster carers coming forward are commonly single carers or couples and a significant number of them have larger than average households or have extended family members living with them. The Corporate Parenting Group recognises that there is potential for these carers, however due to criteria which requires placements to be made giving consideration to the accommodation capacity, it limits the pool of potential carers and the number of placements that can be made. Foster carers are currently in Community Group 2.
64. There are currently 117 in-house foster carers living in council, housing association or privately rented accommodation, of these:
  - 5 would benefit from being able to move into 3 bedroom accommodation
  - 6 would benefit from being able to move into 4 bedroom housing
  - 1 would benefit from being able to move into 5 bedroom housing
  - 4 adult children of these households would be willing to move into their own accommodation
65. Good practice in other local authorities was considered, a number of local authorities have schemes which prioritise the housing of foster carers and prospective foster carers. Some examples of practice in other authorities include:
  - Letters of support from social workers (Barking and Dagenham, Monmouthshire).
  - Award foster carers additional points (Westminster, Islington and Tower Hamlets).
  - Set quota of 3 bed accommodation for foster carers (Newham)
  - Make two nominations per year for housing (Waltham Forest)
  - Give families the first month of rent and/or deposit in order that they can obtain privately rented property (Bexley)
  - Re-house foster carers and prospective carers within 3 months (Bristol)



- Make interest free loans to assist with home extensions or improvements that would increase bedroom space (TACT (a private agency) and Islington)
- Assist foster carers to obtain shared ownership properties for foster carers willing to take sibling groups (Gateshead)
- Re-housing adult children of foster carers to free up space in the parental home (Islington)

66. The CPG was presented with information on Homelessness in the borough with discussion on the complexities of how prioritisation for accommodation might work. The CPG recognises the high level of demand from groups covered by Choice Based Lettings and the legislative context in which the service operates in. Further prioritisation of foster carers was considered but felt to be inappropriate given the other demands on housing and the potential that foster caring duty may cease at any point adding to complexities. It was felt that it might be more appropriate for Childrens Services to work with Registered Social Landlord and developers to secure funding sources to assist foster carers with a package of support including financial support to secure shared ownership as a way of addressing housing barriers.
67. The Working Group appreciated the need to have foster carers and the potential that these carers can offer. It was noted that the placements with family members might be beneficial for the child and the service long-term. The Working Group were keen that kinship care of children is given as much if not greater priority.

### **Medical assessments**

68. In order to ensure compliance with the 1996 Housing Act, Tower Hamlets has adopted a procedure to ensure that applicants needing to move on medical grounds have their circumstances considered and assessed.
69. The Working Group recognises that the assessment of priority because of health is not a judgement as to how ill someone is, instead it is an assessment of whether the effect of the current accommodation on the health of the person is so great that it is overwhelmingly difficult for them to continue living there. Tower Hamlets is unique in that it has a 2 stage appeal process. The medical assessment process was contracted out to Now Medical in 2004 on a long-term contract with payment based on case load.
70. Now Medical acts as medical adviser to the housing departments of over 50 local authorities, including some large equivalent London authorities (e.g. the London Boroughs of Brent, Hammersmith, Lambeth and Wandsworth). They are also advisers to numerous housing associations and trusts, and government bodies including the Home Office.
71. Now Medical are medically qualified staff who are employed to ensure that all applications are properly considered, providing advice and guidance to the Council. In the first instance the decision to proceed with a health assessment will be made by the Lettings Client Support Officers who are trained in the health criteria and factors for consideration in the decision making process. However, it can never be exhaustive and each application must be treated on its own merits. The review heard from Tim Madelin from the Primary Care Trust undertaking assessments for the final stage of appeals.
72. Since September 2005, 2044 initial health assessments have been undertaken, 431 first stage appeals have been carried out of which 32 resulted in award of priority on health grounds. 109 second stage appeals have been undertaken of which 9 have resulted in award of health priority. The applicant at the stage of appeal can submit

additional and new information for consideration which would affect the outcome of the assessment.

73. Particular issues identified during the review session was the challenge Members faced with communicating to their constituents how an assessment could accurately be made based on paper exercise given that the service does not have adequate resources to initially visit every application made. It is often perceived as a tick-box exercise.
74. It was noted that whilst there had been a weakness around the psychiatric evaluation process, this has now been addressed with the appointment of a psychiatrist to the Now Medical team who has been in post for several months. Staff employed were paid a flat rate for assessments, it was not set up based on an incentive to grant or refuse applications, however some Members were not persuaded of this.
75. Members raised the appropriateness of the timescales for submitting appeals given that those needing assistance were those with health conditions. Nevertheless, Members felt that the three week period is too restrictive, especially when applicants receive notice of the decision a week into the period as it can take time to obtain legal advice on how to pursue a review/appeal.
76. It was noted that the appeal should take place in close proximity to the original decision, in order that the same health needs are taken into account. An individual's circumstances could change significantly within a matter of months, and in this case would be eligible for a new assessment. The Working Group felt that it would greatly benefit those who needed assistance to be able to meet the timescales if it was increased from 21 days to 6-8 weeks with the exception of homeless applicants.
77. Members raised a number of concerns around medical assessments, including the need to address the issue of quality of medical assessments. Commissioning an independent review including the sampling of work would be a way to assure the community that assessments are fair, thorough and achieve the appropriate outcomes.
78. In 1997, the Council adopted the Social Model of Disability, this in essence means that the Council deems for example a disabled person not getting access to services as due to policy, physical or attitudinal barriers which the Council has not been able to address and not due to the disability of the person. Discussions took place which stressed that the current medical assessment would do well to shift the emphasis from medical assessments to a form of self assessment which are currently live at Waltham Forest and Home Connections – the assessment should be more focused on how the housing affects a persons ability to live in a house and self assessment would make the process more transparent, although verification would need to be included.

### **Sons and Daughters policy**

79. Throughout this review, members have kept coming back to the tensions that lie between the interests of different groups of people in housing need. No system that prioritises between people in a queue will ever enjoy unanimous support. However, some Working Group members argued that transparency within the current system is not sufficient. They argued that what is actually needed is a change in the way different applicants are prioritised.
80. Ever since the introduction of the Homeless Persons Act 1977, local authorities have been under a duty to house those who are found to be homeless and in priority need

and offer them reasonable preference in the allocation of council housing. While this great legislative advance has helped ensure that vulnerable homeless people are not left out in the cold, some Members of the Working Group feel it has also created some perverse incentives.

81. The history of the operation and impact of the Sons and Daughters policy is well noted. In its implementation and outcome for community groups, it effectively impacted negatively on community groups who were not established in the community over a period of time as this was a requirement of the policy. It resulted in some groups like the sons and daughters of the Bangladeshi community effectively excluded, whilst the White established community benefited from this policy for a number of years.
82. The Sons and Daughters policy as it was, has now been abolished. In many ways, despite wide fluctuations in the number of lettings becoming available each year, the method of prioritisation in housing allocations has stayed the same ever since 1994. In some years, this meant that almost half the lettings becoming available went to homeless households. Sons and daughters have had less and less chance of getting an affordable rented flat near their parents and wider family network, and overcrowded families must wait years in small flats, often with teenage boys and girls forced to share bedrooms.
83. As the Young Foundation has noted, this has had devastating consequences for the sustainability of the long established white working class community and their perceptions. Interim research<sup>16</sup> released by the Equality and Human Rights Commission and the Local Government Association (LGA) shows no evidence social housing allocation favours foreign migrants over UK citizens. Trevor Phillips, Chair of the Commission, announced the inquiry with the LGA in a speech to mark the European Year of Equal Opportunities for All on November 1. At the time he commented:

*'...I want to propose we commission the best independent study we can by dispassionate academics on whether the housing system is being abused to the detriment of anyone - including white families. If there is evidence that it is, then we have the powers and the mandate to stop the abuse and we will do so. If there is no evidence, then we can properly say that this insinuation should play no part...'*

84. Well noted locally and nationally is the high level of overcrowding in the Bangladeshi community often with children over 21 years of age living in small flats. Less well documented, however, is the growing problem it causes for families from all communities as children in their twenties are forced to move far from the family home diminishing the ability of the children to support and be supported by family networks.
85. The Working Group was determined to grasp the issue of waiting time prioritisation. One proposal put forward is that the length of time an applicant has been waiting for re-housing should be given greater weight than currently. In theory, waiting time is a factor within each Community Group. In practice, however, the proportion of lettings going to Community Group 2 significantly reduces its relevance. The simple fact is that many overcrowded families are waiting twice or even three times as long as a homeless family for the family-sized home they need.

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<sup>16</sup> <http://www.equalityhumanrights.com/en/newsandcomment/Pages/Socialhousingallocation.aspx>

86. The Lettings Service counters this imbalance by allowing some new developments to allocate a fixed proportion of lettings from Community Group 3. While welcoming this approach, some members of the Working Group felt more needed to be done to ensure it is applied more consistently. Indeed, until it is underpinned by a proper policy framework, it can even be seen as adding to the complexity of the system and reinforcing the distrust some residents might have for CBL and making the allocation system less transparent, supporting the need for a Local Lettings Plan as recommended under Improving customer access and community cohesion.
87. A second suggestion, was that there should be a stronger weighting accorded to applicants who currently live within the same area as the letting. The Working Group had some sympathy for the intention of this proposal i.e. the try to help young people to stay close to their family networks. However, it felt that the introduction of such a policy at this point in time would overwhelmingly favour those living within parts of the Borough seeing the most development. And so it concluded that increasing the weighting for waiting time was more urgent priority of these two objectives.
88. At least two technical issues would need to be dealt with if Tower Hamlets were to move in this direction. Firstly, we need to address how the boundaries of the Community Groups would be drawn. For example, whether this would involve simply merging everyone in Community Groups 2 and 3, or only merging homeless and overcrowded families into a new Community Group. Those currently awarded Extenuating Health Priority would be a significant loser if the first option were chosen. If these applicants are moved into Community Group 1, applicants with Decant status or Urgent Management Priority would be adversely affected. The recent Court of Appeal judgment against Newham means that more than one “reasonable preferences” must be recognised and prioritised. The Working Group was therefore minded to conclude that those homeless or overcrowded families with Extenuating Health Priority should continue to be prioritised ahead of those who do not have such serious medical problems.
89. The second issue is how the new method of prioritisation would be implemented. Clearly, there would be losers as well as winners if these arrangements were put in place. Homeless families who have already been in temporary accommodation for two or three years would find their priority much diminished, and would be forced to stay even longer in their usually unaffordable placement. There would almost certainly be a short-term increase in the numbers of homeless households in temporary accommodation.
90. This increase would not sit well with the Government’s target for local authorities to halve the number of homeless households trapped in unsuitable temporary accommodation. The Working Group argued that the objective is not to penalise those who have already been accepted as homeless and in priority need. It is to change people’s behaviour. It noted that, when both Hackney and Newham Council moved to a waiting-time based system, they put transitional arrangements in place to protect homeless families. These were successful and could be replicated in Tower Hamlets.
91. The Working Group would expect this change in CBL to face a challenge in the courts. While the Working Group is confident that it would be found to be legal, it would be helpful to have a stronger steer from the Government confirming its legitimacy. DCLG published draft Code of Guidance for consultation in January 2007, advising councils against increasing the emphasis on waiting-time in housing allocations. However, the Working Group understands that Ministers are

unconvinced of the merits of this approach and have some sympathy for a time-based system.

92. Having considered the evidence presented to the Working Group on homelessness, medical assessments, children looked after, the Sons and Daughters policy and the discussions around waiting time prioritisation, the Working Group would like to put forward the following recommendations:

**Recommendations:**

7. **That an open, non-discriminatory Sons and Daughters policy be considered for adoption as part of the new lettings policy and as part of the Council's affordable homes policy;**
8. **That Childrens Services research ways in which shared ownership might be used to assist foster carers where accommodation is a barrier, in addition to Housing prioritising adult children for housing to free up accommodation for foster carers;**
9. **That a review is undertaken of the medical assessment process to address concerns of accuracy and quality and give consideration to best practice, with a view to improving the transparency of the process, extending the time for appeals, , researching other potential providers for the service, sampling a work undertaken by Now Medical and considering introducing self assessments;**
10. **That Tower Hamlets should actively lobby DCLG Ministers to issue guidance and if necessary legislation, allowing local authorities to introduce the waiting time-based approach to lettings. LBTH should be prepared to campaign in support of these changes in partnership with other local authorities.**
11. **That a transitional period of between 12 months and two years should be put in place to protect those homeless families already in the system should waiting-time based approach be successful.**

**Tackling Overcrowding**

93. DCLG are now asking local authorities to increase their focus on overcrowding alongside the general issues around bad housing. As part of this, five London boroughs - Barnet, Camden, Hackney, Kingston-Upon-Thames and Tower Hamlets received funding to support pilots aimed at improving the wellbeing of overcrowded families and develop options to alleviate the impact of their overcrowding.
94. In Tower Hamlets a number of initiatives have been introduced, including offering enhanced grants to under-occupying tenants, a dedicated support officer for under-occupying tenants, a packing and removal service for vulnerable tenants and an intensive support service for overcrowded tenants with specific health needs. As a result, seventy-five under-occupying families were re-housed in 2007, freeing up larger homes for those most in need. It was noted that the Mayor required all local authorities to develop a strategy for tackling overcrowding and the Working Group ask that the work undertaken locally – including the approach Tower Hamlets Community Housing (THCH) had taken to tackling overcrowding are considered in formulating the strategy to ensure local solutions are considered. One of the actions

by THCH undertook was the use of Right to Acquire receipts to buy back properties direct from the leaseholder, it was felt that other RSL should be proactive in this way.

### **The Overcrowding Project**

- 95.** A Neighbourhood Renewal Fund supported Overcrowding Project was evaluated, it set out with very specific aims:
- Identify the most severely overcrowded families and offer them a visit to their homes to discuss their situation;
  - Explain the lettings process;
  - Provide them with tips on how to improve their chances of success;
  - Link them with other services if need be.
- 96.** Home visits were carried out in order to help tenants develop an -
- Awareness of how Choice Based Lettings works;
  - Awareness of the housing shortage in the borough;
  - Understanding of the priority system and the systematic approach taken by Lettings when offering homes;
  - Awareness of other housing options;
  - Awareness that there is no longer any penalty for refusing an offer;
  - Information on a range of services and support.
- 97.** The project has benefited a number of households - 8 households have now been re-housed, a further 3 had offers which were not taken up and the remainder remain bidders as opportunities arise. Even those who still remain to be re-housed felt the benefits of the close work Council officers had been able to do with them and in feedback reported that at the very least, they now understood the system better. Some of the comments received from applicants demonstrate this:
- “I now understand how the system works and bid for appropriate property. Did not realise that if we had rent arrears we may get bypassed.”*
- “A lot of things were made clear by visit. I know what to bid for”*
- “Was bidding for larger & smaller than our needs. Made aware of this. Made aware to clear rent if offers are to be made.”*
- 98.** A further, similar exercise to visit those households with a health need lacking 2 bedrooms is currently being conducted. 8 households were specifically targeted and of these, 3 have been housed. Of the remainder, 3 have refused offers and 2 remain casual bidders. The visits once again highlighted that some applicants are not familiar enough with the system and benefited from the opportunity to better understand it.
- 99.** The Council maintains an annual budget for knock-throughs so that whenever suitable opportunities arise, much-needed larger homes may be created, particularly those making use of less popular bed-sit properties and those ancillary spaces, such as drying-rooms, surgeries and stores which feature in some of the Council’s blocks and which are now no longer used.
- 100.** To complement measures directly addressing overcrowding, the Council operates a number of schemes aimed at persuading those under-occupying households to move to smaller accommodation thus making available the larger-sized properties for which overcrowded households are waiting. Tenants Initiative is a scheme to try to encourage those who are under-occupying to move to a smaller property. There is a

regular scheme with payments relating to the number of bedrooms given up by those moving to a smaller property.

- 101.** With help under a government-sponsored overcrowding initiative for which the Council successfully bid for resources in 2006/07, financial incentives were improved significantly and enabled better use of stock.
- 102.** For 2007/08 further government resources were made available under the same initiative and the scheme benefits have been amended to try to reach those larger properties, whose scarcity means that applicants needing this size of accommodation are waiting longest.
- 103.** The Council has run a Cash Incentive Scheme for tenants for a number of years. It is available to those who have been a Tower Hamlets Council tenant for at least two years. The scheme encourages those who can afford their own property to move by offering tenants a sum of money towards the cost of buying a home in the private sector.
- 104.** It is available to those who are living in a council property with two or more bedrooms, or in one bedroom, but there is overcrowding or an urgent health reason for moving, and less than six weeks' rent is owed on the account. Preference is given to people living in larger properties or on the ground floor, especially those with gardens. Tenants in severely overcrowded accommodation or with urgent medical needs also receive priority.
- 105.** This scheme offers tenants the opportunity to receive a grant to be used to help buy a private sector property in return for giving up their tenancy.
- 106.** Provision has been made in the Council's housing capital programme to continue to fund a similar programme of grants at the current level of £0.5m over the next five years. In the past this has proved a popular scheme, but experience of the current year's scheme indicates something may be changing, as take up of the grant is running at about half of the usual level of demand. It could be that people are less confident about moving into the owner occupied sector at a time of some financial uncertainty when mortgages may also be harder to obtain from regular sources. It could also be the case that current grant levels can't be made attractive enough compared to current market prices, or merely that as the scheme has been in operation for a number of years, the pool of tenants likely to be able to take up the grant offer has grown much smaller, thus reducing effective demand.
- 107.** The Working Group noted that whilst the Scheme had been attractive in the past there appeared to be a decrease in the expressions of interest in the scheme and the Working Group were keen for the Scheme to be reviewed focusing on the level of grants made available.
- 108.** Targets to help address overcrowding form part of the annual objectives set by the Lettings service and are currently aimed at ensuring at least 230 annual re-lets are made to overcrowded households and to 110 under-occupiers in turn to help address the mismatch between need and supply. By the half-year point of 2007/08, 113 lets had been made to overcrowded households and 41 to those under-occupying.
- 109.** The Working Group noted the excellent work progressed in alleviating overcrowding and improving the lives of the families who had been living in overcrowded conditions. It was noted that more could be done in partnership with RSL partners to reduce overcrowding and where feasible, overcrowding reduction initiatives

are developed and funded by partners of the common housing register to tackle overcrowding within their own stock.

- 110.** The Working Group were concerned with child poverty and would like to see research undertaken to look locally at the impact of overcrowding on health and educational attainment.
- 111.** The Department of Communities and Local Government have begun to reconsider the use of the Bedroom Standard as a uniform method of measuring overcrowding, which may also have implications for the Health & Housing Safety Rating (H&HSR) and the use of that measure to declare properties overcrowded. DCLG's own figures suggest that introducing the change would greatly increase those caught by the definition.
- 112.** It is of course the case that it wouldn't make any difference to those households who always knew they were overcrowded all along. Notwithstanding this, as the Council's standard was more generous than the DCLG's current measure with regard to the needs of children sharing, this mooted change in effect represents an adjustment of the DCLG view in line with ours (and other local authorities) which by itself therefore would not increase the level of demand as measured locally. The main local effect in this respect would arise from the proposal that same-sex adults should be entitled to a separate bedroom. It is not yet clear exactly how many cases would be affected, the lettings policy however would need to be revised to reflect the changes proposed under the 'bedroom standard' i.e. same-sex adults (both 21 years or over) should be entitled to a separate bedroom.
- 113.** The key issue for the Working Group was that despite all the efforts of the Lettings Service to alleviate overcrowding, it still remains an issue adversely affecting particular community groups and that the Council should continue to develop targeted approaches to address overcrowding.
- 114.** The Working Group noted the positive contributions of the Overcrowding Project and having considered the evidence on overcrowding, the Working Group would like to put forward the following recommendations:



## **Recommendations:**

- 12. That targeted work be developed to tackle overcrowding, including targeted work with under-occupiers, as part of this work review the Cash Incentive Scheme and the financial incentives for under-occupiers as to ensure the housing stock is used in the best way to reduce overcrowding ,working with partner RSLs to develop and fund initiatives;**
- 13. That Overview and Scrutiny Committee conduct a through review of overcrowding which will assist the Council in developing an effective Overcrowding Strategy, potentially including research into the impact of overcrowding on health and education and using this to assist housing to secure funding to roll-out the Overcrowding Project with a view to assisting more overcrowded families;**
- 14. That the Lettings policy be revised to reflect the changes proposed under the ‘Bedroom Standards’**
- 15. That RSL partners seek to use Right to Acquire receipts to buy back properties direct from leaseholders; That targeted work be developed to tackle overcrowding, including targeted work with under-occupiers giving consideration to allocating direct lets similar to Newham’s policy. As part of this work review the Cash Incentive Scheme and the financial incentives for under-occupiers with a view to using the stock in ways to reduce overcrowding working with partner RSL to develop and fund initiatives;**

## **Widening choice and access to social housing**

- 115.** In the context of widening choice and access to social housing the Working Group looked at Capital Moves, the Seaside and Country Homes scheme and considered Key Worker housing and mutual exchanges.
- 116.** Members sought clarity about how mutual exchanges are assisted and felt that a review of mutual exchanges and its role in the allocations cycle and of advertising would be beneficial.
- 117.** Capital Moves is the pan-London choice based lettings and mobility scheme. It seeks to give people from across the capital seeking affordable housing similar choices over where they live as those buying or renting in the private sector. The development of Capital Moves is funded and led by a partnership comprising the Government, the Greater London Authority, London Councils, the Housing Corporation, London boroughs and London housing associations.
- 118.** Capital Moves once established, will be a single web based system containing details of social rented and low cost home ownership and a range of private rented homes for Londoners who want to move to a new area, either within London or beyond. Capital Moves will also incorporate the London Accessible Housing Register. It is proposed that each London borough contribute 5% of its re-lets to the programme, and perhaps 50% of new-builds - this was not finalised at the time of the review. This would be disproportionate given the comparatively high level of new build in Tower Hamlets. It is also important that the allocation of accessible housing was balanced and should not adversely impact on the residents of Tower Hamlets. The Working Group were concerned that the publicity, access and promotion of the

scheme be wide ranging and that residents of Tower Hamlets be consulted before it is introduced.

- 119.** The Working Group considered the Seaside and Country Homes scheme which offers choice to residents of social housing aged 60 years and over and frees up family sized housing which can then be used by the local authority to house transfer cases or homeless applicants.
- 120.** 150 households have moved into a SCH home since June 2007. 600 households are currently registered on the scheme as interested in a move. 28 out of 33 London Boroughs have applicants registered on the scheme. Five former residents of Tower Hamlets have moved through the scheme since June, freeing up ten bedrooms; 34 Tower Hamlets residents are currently registered on the scheme.
- 121.** There are no direct cost implications for participating London boroughs. The only obligation is to promote the scheme to eligible residents. Some London boroughs provide assistance to help households view properties and to move. This is good practice that the Government would like to see continue. Good use of Seaside and Country Homes options would include joining it up with other available assistance/incentive schemes such as those for current under-occupiers. The costs involved in helping a household move can be justified when compared to the savings made by moving a family out of temporary accommodation into the newly created void home.
- 122.** The Working Group were generally positive of the Seaside and Country Homes Scheme but felt that it needed to be expanded if it was to have any tangible impact in Tower Hamlets and recognised the limited funding available for the scheme.
- 123.** The Working Group received evidence of the take-up of Key Worker housing by residents of Tower Hamlets. Discussions took place about the level of discretion if any Tower Hamlets has over the definition of Key Worker and some examples were given where a child was born to a couple who were living in a child-free block. The Working Group felt that the scheme had been devised some time ago and needed to be revised to reflect changes. The Working Group were keen that Key Worker housing be truly affordable and accessible for residents of Tower Hamlets and would ask that the review focus on the affordability of Key Worker housing.
- 124.** Given all the issues discussed as part of this review and the proposed recommendations, it would be sensible to undertake a review of sheltered housing policy in the context of the potential changes.
- 125.** Having considered the evidence on mutual exchanges, Key Worker housing, Seaside and Country Homes and Capital Moves, the Working Group would put the following recommendations forward:

## Recommendations:

16. That Tower Hamlets should press the Mayor of London and the Government to reduce the proportion of lettings on new-build through Capital Moves to 25 per cent, and to equalise the numbers of accessible homes let through Capital Moves. It should also insist that Capital Moves develop a minimum standard of advertising of the properties allocated through the Pan-London Scheme to secure a common standard of accessibility. Residents should be fully consulted before a decision is reached whether to introduce the scheme;
17. That Tower Hamlets should press the Mayor of London and Housing Corporation to make funding available to expand the Seaside and Country Homes Scheme;
18. That the Council should invite other local authorities in London to identify best practice in promoting and facilitating mutual exchanges;
19. That the Council should undertake a review of Key Worker Housing in the Borough, specifically looking at its affordability and the problems experienced by those with families in non-secure/assured tenancies;
20. That the Council should undertake a review of Sheltered Housing Lettings Policy to make sure that this resource is used effectively.

## Concluding remarks

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126. In conclusion the Working Group has made a number of recommendations which it feels not only will improve access for elderly and disabled people but will benefit the community as a whole. The Working Group has focused on addressing community understanding, improving the quality of medical assessments, improving outcomes for community groups, tackling overcrowding which is a challenge in Tower Hamlets and focused on ways to widen choice and access for residents in the recommendations which have been put forward.
127. Housing is a significant aspect of the lives of local residents and Choice Based Lettings is key to accessing social housing. CBL places great emphasis on the choice of applicants and any work undertaken to widen access and choice is encouraged by the Working Group if there is likely to be no adverse impact on local residents.
128. The challenges of meeting housing needs given the acute housing needs and the limited supply, the Working Group recognises the challenge the service faces in meeting the practical needs of a home for applicants but also the challenges of ensuring that the community has an understanding of how the scheme operates. Moreover, the complexities of the scheme is apparent and clearly local agencies and local Councillors all have a role in assisting local residents to grasp this.
129. The Accessible Housing Register has pioneered and progressed information for disabled people and in recognition of further progressing the action required for improving access for disabled people, the Working Group has put forward a number

of recommendations and strongly urges the Housing Service to take into consideration the issues put forward by the focus group.

- 130.** The Overcrowding Project is noted for the excellent work in alleviating the acute housing needs of large families and the Working Group feels that the issues of overcrowding needs to be investigated with a view to contributing to the boroughs new development of a overcrowding strategy and should therefore be looked at by local councillors.
- 131.** A number of recommendations have been made in this report across the 4 themes which would promote community cohesion and the Working Group would ask Housing and RSL partners to work together to improve community understanding and expectations of CBL.
- 132.** Finally, the Arms Length Management Organisation brings with it an opportunity to bring much needed improvement not just to the fabric of housing in Tower Hamlets but also an opportunity to improve service delivery and policy. The Working Group very much hope that the work in this review supports this improvement agenda and that it has a positive impact on the lives of local residents.

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## Scrutiny and Equalities in Tower Hamlets

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