

<b>Cabinet</b> 10 January 2017	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Aman Dalvi, Corporate Director - Development & Renewal Zena Cooke, Corporate Director - Resources	<b>Classification:</b>
<b>Housing Revenue Account Rent Setting report 2017/18 Lettings Plan Band 3 Quota</b>	

Lead Member	<b>Councillor David Edgar, Cabinet Member, Resources Councillor Sirajul Islam, Cabinet Member, Housing Management and Performance</b>
Originating Officers	Paul Leeson, Finance Manager, Development & Renewal Katherine Ball, Senior Accountant, Development & Renewal Mark Baigent, Interim Service Head Strategy, Regeneration, Sustainability & Housing Options
Wards affected	All
Community Plan Theme	<b>One Tower Hamlets</b>
Key Decision?	Yes

## Executive Summary

### HRA

The Welfare Reform and Work Act 2016 includes the requirement that rents on social housing properties must be reduced by 1% a year for four years from 2016/17. In line with this legislation, this report sets out the rent reduction that will apply to the Authority's rents in 2017/18. This report also seeks Cabinet approval of the level of the 2017/18 service charge increase for the year ahead in order for the Council to comply with its statutory duty to notify tenants.

The Housing and Planning Act 2016 includes the requirement for high income local authority households to be charged an increased level of rent (up to market rent). However, the government has since confirmed that this policy will be voluntary for local authorities.

The Council must prepare proposals in January and February each year relating to income from rents and other charges, and expenditure in relation to management and maintenance of its housing stock. A decision is required with regard to rents and service charges in January in order that statutory notice can be given to tenants prior to 1st April implementation.

## Lettings

The Mayor in Cabinet agreed changes to the Allocation Scheme and the Lettings Plan for 2016/17 and 2017/18 when the Amendments to the Allocations Scheme and Lettings Plan report was presented to Cabinet on 1<sup>st</sup> November 2016. However, Members deferred the recommendation made to amend the quota for Band 3 lets from 10% of one, two and three bed properties to 5% of one bed & studios per annum for consideration at the January Cabinet meeting.

## Recommendations

In relation to the Housing Revenue Account, the Mayor in Cabinet is recommended to:-

1. Note that, under section 23 of the Welfare Reform and Work Act the Authority must implement a rent reduction of 1% for four years starting in 2016/17, and consequently to agree an average weekly rent reduction of 1% to take effect from the first rent week of April 2017.
2. Agree that the average weekly tenanted service charge will increase by 2% from the first rent week in April 2017.
3. Note that section 80 of the Housing and Planning Act 2016 requires local authorities to charge high income social tenants an increased level of rent, (up to market rent levels). However the government has now confirmed that this scheme (Pay to Stay) will now be voluntary for local authorities.
4. Note the risks to the HRA as set out in section 6, and note that the HRA budget will be presented to Cabinet in February 2017 along with updated medium-term financial projections.

In relation to Lettings, the Mayor in Cabinet is recommended to:-

5. Agree to amend the quota for Band 3 lets from 10% of one, two and three bed properties to 5% of one bed / studios and two beds per annum.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Council must prepare proposals in January and February each year relating to income from rents and other charges, and expenditure in relation to management and maintenance of its housing stock. A decision is required with regard to rents and service charges in January in order that statutory notice can be given to tenants prior to implementation from the first rent week of 2017/18.

## **2. ALTERNATIVE OPTIONS**

- 2.1 In relation to the HRA, section 23 of the Welfare Reform and Work Act 2016 requires that, from April 2016, social rents must be cut by 1% for four years. As this requirement is enshrined in legislation, if the Authority did not comply it would risk legal challenge.
- 2.2 In relation to Lettings, alternative options are to maintain the existing quota of 10% of lettings up to three bedroom size properties or reduce it to 5% of lettings up to three bedroom size.

## **3. BACKGROUND**

- 3.1 The HRA relates to the activities of the Council as landlord of its dwelling stock. Since 1st April 1990 the Housing Revenue Account has been “ring-fenced”. This means that deficits on the Housing Revenue Account cannot be met from the General Fund. The HRA must remain in balance.
- 3.2 From April 2012, HRA Subsidy was abolished and replaced by self-financing, under which local authorities retain their rental income, but are responsible for meeting all costs relating to council housing.
- 3.3 Under HRA Self-Financing, local authorities were able to decide on the level of rent increase that they implemented each year, and although they were expected to have regard to government guidance on the matter, this was not compulsory. Previously government guidance had suggested increases of 1% above the Consumer Price Index measure of inflation. However, with the publication of the Welfare Reform and Work Act, the discretion that local authorities previously had in this matter was removed for four years, starting in 2016/17.

## **4. RENT REDUCTION**

### **1% Rent Reduction for Four Years**

- 4.1 Section 23 of the Welfare Reform and Work Act 2016 provides that social rents will be subject to a 1% reduction for four years, starting in April 2016. A very limited number of exemptions to this requirement are available, but within

the Council's HRA tenanted stock these potentially only affect certain new units of housing supply. In these cases the Council will be seeking exemption from the DGLG where possible.

### **Impact on the HRA**

- 4.2 Modelling of the HRA financial position prior to the announcement of the four year 1% rent cut indicated that the Authority had sufficient resources to fund the anticipated capital work investment needed over the 30 year period, as well as its agreed programme of new builds. In addition, projections showed that the level of HRA reserves would increase over the period.
- 4.3 The impact of the 1% rent reduction over the four years was modelled and indicated a loss of rental income over four years of £24 million, and a real terms loss in excess of £400 million over 30 years (i.e. including the impact of inflation).
- 4.4 The four years of rent cuts have been factored into the HRA latest financial modelling and the medium-term financial projections.

### **5. PAY TO STAY**

- 5.1 As previously reported to Cabinet, section 80 of the Housing and Planning Act 2016 sets out that local authorities must charge a high income local authority tenant a higher level of rent, and make payments to the Secretary of State in respect of any estimated increases in income.
- 5.2 However, on November 21<sup>st</sup> 2016 the Housing Minister confirmed that the Pay to Stay scheme will now be voluntary for local authorities and housing associations. Details of how the scheme will operate are still to be published and it is not yet clear whether, if local authorities choose to implement Pay to Stay, they will be able to retain additional rental income that they collect, or whether the intention remains that additional income must be paid over to the government.
- 5.3 At this point officers are recommending that the Council does not implement a voluntary pay to stay scheme until further details are published and a full evaluation of such a scheme can be made.

### **6. HRA RISKS**

#### Sale of Higher Value vacant stock

- 6.1 As detailed in the '*Housing Revenue Account: Outline Business Plan and Medium Term Financial Outlook*' report considered by the Mayor in Cabinet on July 26<sup>th</sup> 2016, Chapter 2 of the Housing & Planning Act 2016 sets out that local authorities will be required to make a payment to the government based on the market value of the authority's higher value housing stock that is likely to become vacant during that year.

- 6.2 On November 24<sup>th</sup> 2016 the Housing Minister confirmed that he had written to councils informing them that the government will not be requesting any high-value asset payments during 2017/18.

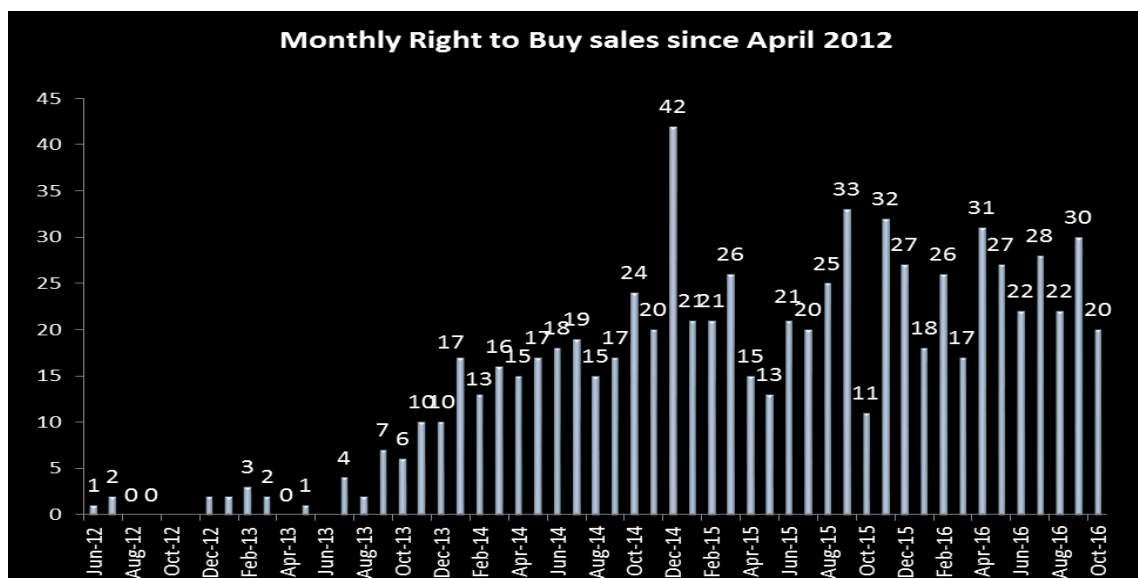
#### Possible Impact on the HRA

- 6.3 As outlined in the July 2016 Cabinet report, for budget planning purposes the assumption has been made that, beginning in 2016/17, an annual amount of £8.4 million would need to be paid to the government. As a result of the government's latest announcement that no levy will be payable in 2017/18, the HRA medium-term financial projections have been updated to assume that payment of the levy will be delayed for two years, and will now start in 2018/19. These assumptions will need to be re-visited once further details are published.
- 6.4 Section 74 of the Housing and Planning Act allows London boroughs to reduce the levy paid to the government if they build two new 'affordable homes' for each higher value one deemed to be sold. There is no detail about how this would operate in practice, but if such an agreement were to be set out in a similar way to the Right to Buy Agreement then it could prove restrictive in terms of the deadlines imposed. If there were similar conditions relating to funding the new-build, given current build cost assumptions it is difficult to see how the Authority could replace stock on a two for one basis unless it were able to retain all the capital receipts from sales of housing stock, and possibly not even in that case if the receipt from each sale is less than £600,000.
- 6.5 The size of the annual levy is not yet known, but it is prudent to assume that the HRA will be unable to sustain a substantial annual levy payment unless a programme of stock disposals is carried out, and/ or alternative income is identified. Implementing a policy of targeted disposals could partially or completely offset the cost of the levy and provide additional resources to the HRA. At its meeting on July 26<sup>th</sup> 2016, the Mayor in Cabinet agreed a disposal programme of up to five HRA properties a year as an initial response to the levy; this may need to be reviewed once the size of the levy is known.
- 6.6 Section 76 of the Housing and Planning Act 2016 imposes a duty on a local housing authority to consider selling its interest in any higher value housing that has become vacant. Information from the last three years shows that each year, in the region of 500 - 600 HRA tenanted properties become void for a variety of reasons. Therefore, the Authority will need a policy on how it wants to treat the sale of vacant properties. Certain HRA properties are expensive to maintain and may also require significant ongoing investment, therefore, voids falling into this category could possibly be targeted for disposal.
- 6.7 There are currently a number of restrictions on local authorities disposing of HRA dwellings, in that Secretary of State consent must be sought in some instances. It seems likely that the rules governing the disposal of HRA

properties will need to be relaxed in future to enable local authorities to carry out a high number of sales.

### Right to Buy

- 6.8 Between April 2012 and the end of October 2016 there were 791 RTB sales; as shown in Graph 1 below.



Graph 1 – Right to Buy sales since April 2012

### Right to Buy Receipts

- 6.9 The Authority has an agreement with the Secretary of State allowing it to retain a proportion of Right to Buy receipts, which must then be spent on replacement social housing within three years. As at the end of Q2 (September 2016), the Authority has retained just over £69 million of Right to Buy receipts, as shown in Table 4 below.

RTB Sales	Quarter Received	Spend Deadline	Retained one for one Receipts (30%) £	Spend needed on social housing £	Council resources needed (70%) £	Cumulative spend needed on social housing £
<b>CURRENT ONE FOR ONE RECEIPTS HELD</b>						
771		31/09/19	69,180,971	230,603,236	161,422,265	230,603,236
<b>PLUS PROJECTED SALES FOR 2016/17</b>						
70	Q3	31/12/19	6,000,000	20,000,000	14,000,000	250,603,236
70	Q4	31/03/20	6,000,000	20,000,000	14,000,000	270,603,236
<b>PLUS PROJECTED SALES FOR 2017/18</b>						
70	2017/18 – Q1	30/06/20	6,000,000	20,000,000	14,000,000	290,603,236
70	Q2	30/09/20	6,000,000	20,000,000	14,000,000	310,603,236
70	Q3	31/12/20	6,000,000	20,000,000	14,000,000	330,603,236

RTB Sales	Quarter Received	Spend Deadline	Retained one for one Receipts (30%) £	Spend needed on social housing £	Council resources needed (70%) £	Cumulative spend needed on social housing £
70	Q4	31/03/21	6,000,000	20,000,000	14,000,000	350,603,236
			<b>105,180,971</b>	<b>350,603,236</b>	<b>245,422,265</b>	

Table 4 – Summary of current and projected retained one for one RTB Receipts

- 6.10 As discussed in the ‘*Housing Revenue Account: Outline Business Plan and Medium Term Financial Outlook*’ report considered by the Mayor in Cabinet on July 26<sup>th</sup> 2016, the financial modelling undertaken in May 2016 assumed that the £49.7 million of one for one receipts that had been accrued as at the end of Q4 in 2015/16 would be spent. The HRA modelling also took account of the 70% contribution that the HRA would need to make towards the replacement social housing that would be built/ acquired in order to use the £49.7 million of one for one receipts.
- 6.11 In the light of a continuing need to identify matched funding for a 70% contribution, and the relatively limited resources available to the HRA it is proposed that the Authority should consider one or more of the following options:
- a) alternative delivery models that can utilise the receipts, possibly in conjunction with General Fund resources
  - b) to pass the one for one receipts to a third party
  - c) to return any one for one receipts that are not likely to be utilised immediately (to avoid the additional interest charges prescribed in regulations which are punitive)

Further details on these options will be brought back to the Cabinet for consideration.

## 7. HRA BUDGET 2016/17 & 2017/18

- 7.1 The latest HRA budget monitoring position for 2016/17 is elsewhere on this agenda; current projections are for a forecast year-end underspend of over £10 million. This is mainly due to the fact that, as referred to in paragraph 6.2, it is not now forecast that the higher value void levy will come into effect in 2016/17 resulting in £8.4m of the projected underspend.
- 7.2 Given the uncertainty arising from the recent Housing and Planning Act, as well as the four year rent cut, the ‘*Housing Revenue Account: Outline Business Plan and Medium Term Financial Outlook*’ report considered by the Mayor in Cabinet on July 26<sup>th</sup> 2016 agreed that the Authority should make £2 million of savings in the 2017/18 budget, as well as an additional £4 million over the medium-term financial period. Further details will be contained in the

'Housing Revenue Account – Budget Report 2017/18' report that will be considered by the Mayor in Cabinet in February 2017.

## **8. LETTINGS: PROPOSED REDUCTION IN BAND 3 QUOTA**

- 8.1 A report proposing amendments to the Housing Allocations Scheme was considered by Cabinet on 1st November 2016 – the report is attached as Appendix 3. All recommendations in the report were agreed other than Recommendation iv. *'Agree to amend the quota for Band 3 lets from 10% of one, two and three bed properties to 5% of 1 bed and studios per annum'* which was deferred for further discussion.
- 8.2 Applicants not in housing need are placed in Band 3 of the Allocation Scheme. From 2010 a quota of 5% of lettings was earmarked for these applicants. This was to provide an opportunity for rehousing for private sector tenants who wanted to move to more secure accommodation and to offer some 'like-for-like' transfers for tenants of Common Housing Register partner landlords.
- 8.3 Members decided to increase the quota from 5% to 10% for 2014/15 in order to make up for the previous year's underperformance. This resulted in 163 lettings for Band 3 applicants compared with 277 homeless households in 2014/15.
- 8.4 In the March 2015 Cabinet report, Members were asked to agree a return to a 5% quota for Band 3 applicants for 2015/16. However members decided to retain the 10% quota. This resulted in 194 lettings to Band 3 applicants in 2015/16 consisting of 38 two and three bed properties and 156 one bed & studios.
- 8.5 This relatively high number of lettings to applicants not in housing need took place during a period when the number of homeless acceptances had risen significantly. The costs to the Council of accommodating homeless households have risen exponentially because temporary accommodation housing benefit subsidy has been frozen since 2011. Housing Benefit subsidy shortfall and discretionary housing payments to benefit-capped households in temporary accommodation has cost the Council between £5.5 million and £7.5 million per annum in the last three years. Given the pressures of higher levels of homeless demand and difficulties in securing suitable temporary accommodation Members are asked to agree to reduce the quota to 5% of one bed & studio properties per annum only.
- 8.6 In 2015/16 a total of 2,207 homes were let, which would equate to 110 homes being let to Band 3 applicants if a target of 5% is set. Table 5 below provides a breakdown of the number of lets that would be achieved by each bedroom size on a 5% or 10% lets target for Band 3 applicants.



<b>Bed size</b>	<b>% target for each bed size</b>	<b>Total lets 15/16</b>	<b>if 5% target set</b>	<b>If 10% target set</b>
Bedsit /1 bed	68%	821	75	150
2 bed	21%	814	23	46
3 bed	11%	432	12	24

*Table 5 – Breakdown of the number of lets that would be achieved by each bedroom size on a 5% or 10% lets target for Band 3 applicants*

- 8.7 If the current 10% target is retained then potentially 220 homes would be allocated to Band 3 applicants with no housing need. This will significantly impact upon the Council's ability to rehouse high priority need households. The original recommendation has therefore been slightly revised following further discussions with Members and now includes two beds. Members are therefore asked to agree to amend the quota for Band 3 lets from 10% of one, two and three bed properties to 5% of one bed / studios and beds per annum. This should free up resources for overcrowded, homeless households, priority decants, management and medical cases.

## **9. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 9.1 The report asks the Mayor in Cabinet to note that, under section 23 of the Welfare Reform and Work Act 2016, the Authority must implement a rent reduction of 1% in 2017/18. This equates to an average rent reduction of £1.09 for 2017/18.
- 9.2 The cumulative impact on the HRA over the longer term has been estimated to be in the region of £24 million over the four years (2016 -2020) compared to the financial modelling that was undertaken as part of the 2015/16 budget process. This is because after four years of 1% rent cuts the rental base will be substantially lower than it would have been if the previous rent policy of CPI + 1% were still in place.
- 9.3 The report asks the Mayor in Cabinet to note that although section 80 of the Housing and Planning Act 2016 includes the requirement for local authorities to increase rents for high income social tenants, the government has recently confirmed that the policy will now be voluntary for local authorities. However, given the uncertainty about how such a voluntary scheme might operate, and in particular whether such a scheme would allow the Council to retain any additional resource, this approach is not taken forward until more information is available to take an informed view.
- 9.4 The report requests that tenanted service charges be increased by 2%; this is consistent with the September 2016 Retail Price Index. This will lead to an average weekly increase in tenanted service charges of approximately £0.24.
- 9.5 The HRA Budget report for the 2017/18 financial year will be considered by Cabinet in February. The report will also seek approval for the management

fee that will be payable to Tower Hamlets Homes for managing the housing stock on the Council's behalf.

- 9.6 This report also seeks approval for an amendment to be made to the Council's Housing Allocations Scheme in respect of Band 3 lettings in order to reflect recent changes in legislation and also to address particular issues that have arisen in relation to homeless applicants.
- 9.7 As a result of the combination of the increasing numbers of applications to the homelessness section, the scarcity of available temporary accommodation and the high levels of rent charged to the Council, significant budgetary pressures are being faced. This particularly affects the Housing Benefits budget where pressures arise from both the impact of welfare reform and the effect that high rents have on the Benefits Subsidy received by the Council.
- 9.8 Although the Council has a statutory duty to pay benefits, the level of subsidy that is recouped from the DWP is capped. The proposal to reduce the lettings targets for allocation to Band 3 applicants should mean that more properties will be made available to be let as non-secure tenancies, helping to mitigate costs by reducing the number of homeless applicants that need to be placed in more expensive externally procured accommodation.
- 9.9 Any costs involved in the implementation of the amended policy will be met from within existing resources.

## **10. LEGAL COMMENTS**

- 10.1 The report seeks agreement to rent increases in amounts specified in Recommendation 1. The Council has power under section 24 of the Housing Act 1985 to make reasonable charges for the tenancy or occupation of its houses. The Council is required to review from time to time the rents that it charges for the tenancy or occupation of its dwellings.
- 10.2 The Council may increase the rent for its tenants by giving four weeks' notice. The notice period is set out in section 103(4) of the Housing Act 1985, but also from the terms of the Council's standard tenancy agreement.
- 10.3 The Council is subject to an obligation under Part VI of the Local Government and Housing Act 1989 to maintain a housing revenue account (HRA). The Council is required to prepare proposals in January and February each year relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision and management of HRA property and other prescribed matters. The proposals should be based on the best assumptions and estimates available and should be designed to secure that the housing revenue account for the coming year does not show a debit balance. From April 2012, HRA subsidy was abolished and replaced by self-financing, under which local authorities retain their rental income but are responsible for meeting all costs relating to council housing. This enabled local authorities to decide on the level of rent increase each

year. From 1<sup>st</sup> April 2016, section 23 of the Welfare Reform and Work Act imposes a requirement on social housing providers to reduce the total rent payable by a tenant by 1% each year over a four year period. For social rent properties, the reduction applies to the rent element and not service charges. For most affordable rent properties, the reduction is inclusive of service charges. If a tenancy starts or ends during the year, the reduction would be on a pro-rata basis. Section 23 of the Act sets out exceptions to the rent reduction scheme, notably temporary social housing and short life leasing schemes for the homeless.

- 10.4 When determining the rent it will charge, it is reasonable for the Council to have regard to the matters set out in the report, relevant to self-financing and other matters relevant to the likely income to the HRA.
- 10.5 Also relevant to the Council's considerations regarding rent setting is the duty under section 80 of the Housing and Planning Act 2016. Under section 80, the secretary of state was empowered to make Regulations the effect of which would have been to make it mandatory for local authorities to charge tenants earning high income a higher level of rent. The Housing and Planning Act 2016 (Commencement No.3) Regulations 2016 brought sections 80 to 91 into force on the 1st October 2016. However the government has now confirmed that this will no longer be mandatory but will, instead, be voluntary for local authorities. To date, no Regulations under this section have been introduced by the Secretary of State.
- 10.6 As to recommendation 5, the Council is required to comply with the requirements of Part VI of the Housing Act 1996 when allocating housing accommodation and section 166A requires the Council to have a scheme for determining priorities and the procedures to be followed in allocating housing accommodation. The Council is required to allocate housing in accordance with this allocation scheme.
- 10.7 It is consistent with the Council's statutory housing functions and its own allocations scheme for the Council to consider and adopt a Lettings Plan. The proposed Letting Plan has been prepared having regard to the housing demand in the borough and the lettings made in 2014/2015 and 2015/2016. It provides a means of ensuring that the Council effectively gives reasonable preference and additional preference to prescribed persons under the Allocation Scheme and in accordance with the Housing Act 1996.
- 10.8 On 1<sup>st</sup> November 2016, the Mayor in Cabinet approved the Allocation Scheme and Lettings Plan save that it deferred the recommendation to amend the quota for Band 3 lets from 10% of one, two and three bed properties to 5% of one bed & studios per annum for consideration at the January Cabinet meeting.
- 10.9 As a result of further consideration, this recommendation has been amended and the Mayor in Cabinet is now being asked to amend the quota for Band 3 lets from 10% of one, two and three bed properties to 5% of one bed / studios and 2 beds per annum. The reason cited is that this should free up resources for overcrowded, homeless households, priority decants, management and

medical cases (see paragraph 8.7 of the Report). If the Mayor in Cabinet is satisfied with the reasons proposed then the recommendation can be agreed and the Lettings Plan amended accordingly.

- 10.10 Before setting rents as proposed in the report or amending the Band 3 quota, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Information relevant to these considerations is contained in the One Tower Hamlets section of the report and in Appendix 1.

## **11. ONE TOWER HAMLETS CONSIDERATIONS**

- 11.1 In relation to the HRA, a detailed equality impact assessment is attached at Appendix 1. This identifies that the rent decrease, which will apply equally to all tenants, will in practice have some differential impacts by reference to the protected characteristics under the Equality Act 2010. For example, a greater proportion of men occupy bedsits than women, when compared to the general population. Any such differential impact is considered to be a proportionate means of maintaining the Housing Revenue Account and continuing to provide housing services in a fair way, for reasons given in the equality analysis in Appendix 1.
- 11.2 In relation to Lettings the proposed reduction in the quota set for Band 3 lets should allow for housing resources to better directed at housing applicants and homeless households in greatest need in the borough.

## **12. BEST VALUE (BV) IMPLICATIONS**

- 12.1 In relation to the HRA, draft estimates for the 2017/18 HRA budget will incorporate any savings agreed by Cabinet, and those necessary to ensure that the HRA remains in balance in 2017/18. The draft estimates will be presented to Cabinet in February.
- 12.2 In relation to Lettings, the proposals in this report contain recommendations to re-direct some housing resources from applicants in a lower priority band (3) towards applicants in higher priority Bands (1) and (2). These proposals are aimed at making best use of these resources in line with the priorities set out in the Allocations Scheme, to support meeting the Council's statutory duties towards homeless households and reducing costs of temporary accommodation where possible.

### **13. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 13.1 There are no specific implications arising directly from this report, however the Housing Revenue Account does finance initiatives to promote and maintain a greener environment. These are managed by Tower Hamlets Homes.

### **14. RISK MANAGEMENT IMPLICATIONS**

- 14.1 In relation to the HRA, with the introduction of Self-Financing, Tower Hamlets is responsible for running its HRA as a viable business, using HRA income in order to fund all HRA expenditure, including the capital works necessary to maintain and improve the housing stock, and the Decent Homes programme.
- 14.2 Various areas of risk and uncertainty are highlighted in section 6. Over the next few months, it will be essential that the HRA medium-term financial strategy be reviewed, and updated to reflect the numerous policy changes and economic conditions.
- 14.3 In relation to Lettings, the Council has statutory duties towards homeless households that include provision of temporary accommodation at considerable cost to the Council. These proposals will help to maintain control over demand from the homeless and provide some additional temporary accommodation at lower cost in the borough.

### **15. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 15.1 There are no specific crime and disorder reduction implications arising directly from this report, however the Housing Revenue Account does finance various crime prevention and safety initiatives which are managed by Tower Hamlets Homes.

### **16. SAFEGUARDING STATEMENT**

- 16.1 There are no specific safeguarding implications arising directly from this report.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Appendix 1 - Equalities Impact Assessment – HRA Rent
- Appendix 2 - Equality Analysis Quality Assurance Checklist – Lettings
- Appendix 3 – ‘Amendments to Housing Allocations Scheme’ Cabinet Report of 1<sup>st</sup> November 2016 - Lettings

**Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- None

**Officer contact details for documents:**

- n/a

**Originating Officers and Contact Details**

<b>Name</b>	<b>Title</b>	<b>Contact for information</b>
Katherine Ball	Senior Accountant (HRA)	020 7364 0997
Rafiqal Hoque	Lettings Service Manager	020 7364 0235

# Equality Analysis (EA)

## Section 1 – General Information

### Name of the proposal including aims, objectives and purpose:

#### 2017/18 Rent Review

As part of the Welfare Reform and Work Act, Social Housing providers are obliged to reduce rents payable by tenants by 1% compared to the rent payable in the preceding year. The Welfare Reform and Work Act requires a 1% rent cut for four years, starting in April 2016, therefore the 2017/18 rent report notes that for all Council Social Housing stock, average weekly rents will decrease by 1% from 1st April 2017.

In the current economic environment any rent decrease may be considered to have a beneficial effect on social tenants with no one protected characteristic being disproportionately advantaged over those with non-protected characteristics.

Under HRA Self-Financing, the Council is responsible for financing all council housing expenditure from its HRA income streams. The proposed rent decrease will reduce the level of resources available to fund the expenditure necessary to manage, maintain and improve the Council's housing stock, including the capital investment programme that will bring the Council's stock up to the Decent Homes standard and maintain that standard over a 30-year period.

It has been estimated that four years of rent cuts will reduce the level of HRA resources by over £20 million over four years, and by over £90 million over 10 years. The Council will need to re-consider its HRA Medium Term Financial Strategy and will need to identify savings in order to ensure that the HRA remains in balance, as legally it must do. This could mean reductions to the provision of HRA services and/or to the capital investment programme.

The Housing and Planning Act 2016 includes the 'Pay to Stay' policy whereby social housing households with a combined income of £40,000 and above in London will be classified as "high income tenants" and will be subject to mandatory rent increases, up to market rent levels. The government has since confirmed that this policy will be voluntary for local authorities.

#### Notes:

Under **HRA Self Financing**, there has been a substantial change in the way in which Tower Hamlets' HRA is financed. The annual HRA subsidy system has been abolished, and the Council now retains all HRA income but is responsible for financing all HRA expenditure. The requirement to implement a rent cut for four years is not consistent with the assumptions in the Self-Financing Settlement, which assumed above inflation rent increases throughout the 30 year period (see below).

**Rent Convergence** Under the original proposals announced in 2000, similar properties would be charged similar rents by 2012 (the date was subsequently moved to 2015), regardless of whether the property was owned by the local authority or a social housing provider; this is known as rent convergence. The HRA Self-Financing Final Settlement assumed that Authorities would continue with rent restructuring, and then implement rent increases of RPI (retail price index) + 0.5% each year after that for the remainder of the 30 year period.

The formula for calculating rent increases in order to follow rent restructuring for local authorities was RPI + 0.5% plus £2 per week. The reference point for RPI was the September in the year preceding the start of the financial year to 31 March.

The government ended rent convergence one year earlier than previously anticipated - in 2014/15 rather than in 2015/16 – and last year introduced a 10 year rent policy which linked future rent increases to CPI (consumer price index) + 1%.

The 10 year rent policy has now been superseded by the Welfare Reform & Work Act.

**Who is expected to benefit from the proposal?**

The rent decrease will directly benefit all tenants in properties to which the rent decrease is applied. (i.e. council tenants).

That said, rent deductions have an impact on local authority housing finances, as all rental income is used to fund housing management services and the Housing Capital Programme. The Housing Capital Programme is the means by which the housing stock is bought up to, and maintained at a Decent Homes standard. If the shortfall in income (resulting from a reduction in rent) is not met, there could be adverse consequences on the scale and speed regarding planned works in housing capital programme and for those tenants who are in non-decent homes.

Is this a policy or function? Policy  Function

Is this a new or existing policy or function? New  Existing

Is the policy or function strategic, developmental or operational/functional?

Strategic  Developmental  Operational/Functional

**Date when the original policy/function was initiated:** Council housing, for which tenants paid a lower market rent, was developed as early as 1919 when council homes were built to meet general needs.

**Date on which the policy/function is to be reviewed:** Rent levels are reviewed on an annual basis. The last rent review was approved by Cabinet in February 2016.

Names and roles of the people carrying out the Equality Analysis:

Andy Simpson – Directorate Equalities Lead  
Katherine Ball – Senior Accountant (HRA)  
Aman Berhanu – Resources and Business Support Analyst, Tower Hamlets Homes  
Beverley Greenidge – Head of Rents, Tower Hamlets Homes  
James Caspell – Customer Insight Officer, Diversity, Tower Hamlets Homes



**Section 2 – Evidence****Key Findings**

From the perspective of the tenant, the rent decrease will be viewed as having a positive impact. The Equalities Assessment is undertaken from this perspective and has been assessed as not having a disproportional adverse effect on any specific group, although since the reduction is a flat 1% reduction across all stock, those residents in larger properties, with higher rents will see the largest weekly reduction in rent paid

A rent decrease of 1% in Council rents will be in place from 1st April 2017.

Decreases for 2016/17 have been calculated in accordance with the Welfare Reform and Work Act's proposal to reduce rents by 1%

The actual amount of decrease as a proportion on current rent will vary across property sizes. Smaller properties tend to have a smaller rent decrease than larger units e.g. (studio and one bed units). (See Annex A: Table 10 – Average Increase per dwelling - by bedside).

The rent decrease is applied to all Council dwellings and has no bearing on the profile of the tenants, age, race gender etc. The rent increase does not target or disproportionately affect any group of people based any of the protected characteristics. Despite this, the distribution of various characteristics amongst larger properties is not even, thus meaning that while the variation will be minimal, the impact of this policy in real terms will not be equal.

As at the end of March 2016 there were 11,844 LBTH dwellings, managed by Tower Hamlets Homes (ALMO), housing 14,142 residents. Profile of Council tenants is set out in Annex A: to this document.

In 2013 the median gross income of Tower Hamlets residents was £30,850. (Source: Median household income CACI Paycheck data 2013).

Tenants in rent arrears, would previously have been negatively impacted upon by rent increases, potentially causing those in rent arrears, to potentially fall further behind. Appendix D outlines the breakdown of these residents which the policy may be seen as positively impacting upon. Since a rent deduction is being proposed, this policy will particularly alleviate any residents in arrears

While a rent reduction will impact positively on all tenants, they will also impact on local authority housing finances, since all rental income is used to fund housing management services and the Housing Capital Programme. The Housing Capital Programme is the means by which the housing stock is bought up to, and maintained at a Decent Homes standard. If the shortfall in income (produced by a reduction in rent) is not met, there could be adverse consequences on the scale and speed regarding planned works in housing capital programme and for those tenants who are in non-decent homes.

## Evidence Base

The following evidence was considered to help us to think about the impacts or likely impacts on service users.

### Tenant Profiles

Tenant profile by Ethnicity  
 Tenant profile by Gender  
 Tenant profile by Age  
 Tenant profile by Disability  
 Tenant profile by Religion & Belief  
 Tenant profile by Sexual Orientation  
 Tenant profile by Gender Re-assignment  
 Tenant profile by Marriage/Civil Partnership  
 Pregnancy & Maternity

### Rent Analysis

Average Increase per dwelling - by bedsize (2016/17)  
 Social Rent Cap Levels (Registered Social Landlords)  
 Comparison of Average Rent & Social Rent Cap Levels

Rent Charge Comparison (2016/17)  
 Average actual rent /average rent charge (2016/17)

### Housing Benefit Analysis

Nos. & % Tenants claiming Housing Benefit  
 Housing Benefit by Ethnicity  
 Housing Benefit by Gender  
 Housing Benefit by Age  
 Housing Benefit by Disability  
 Housing Benefit by Religion & Belief  
 Housing Benefit by Sexual Orientation  
 Housing Benefit by Gender Re-assignment  
 Housing Benefit by Marriage/Civil Partnership  
 Housing Benefit by Pregnancy & Maternity

### Property & Tenant Profile Analysis

Stock Profile by bedsize  
 Property Bedsize by Ethnicity  
 Property Bedsize by Ethnicity  
 Property Bedsize by Gender  
 Property Bedsize by Age  
 Property Bedsize by Disability  
 Property Bedsize by Religion & Belief  
 Property Bedsize by Sexual Orientation  
 Property Bedsize by Marriage/Civil Partnership  
 Property Bedsize by Pregnancy & Maternity

### Community and Population Data (Tower Hamlets, 2011 Census)

Borough Population by Ethic group  
 Borough Population by Religion  
 Borough Population by Disability  
 Borough Population by Gender  
 Borough Population by Age

**Section 3 – Consideration of data and research  
Identifying Differential / Adverse Impacts**

<b>Target Groups</b>  What impact will the 'new' or 'significantly' amended policy or function have on specific groups of service users?	<b>Impact – Positive or Adverse</b>	<b>Reason(s)</b> <ul style="list-style-type: none"> <li>• Please add a narrative to justify your claims around impacts and,</li> <li>• Please describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making</li> <li>• Can the negative impact be justified on the grounds of promoting equality?</li> </ul>
Race	P	<p>The rent decrease does not have a disproportionately positive effect on tenants on the grounds of race.</p> <p>People of Bangladeshi origin make up the largest percentage of tenants at 44.42%, people of white ethnicity making up the second largest group at 19.64%. Consequently, the impact of a rent reduction will have a higher impact upon residents of this background. This is generally reflective of the general make-up of the wider Tower Hamlets population, of which those of Bangladeshi origin are the largest group at 32% and White British as the second largest ethnic group at 31%.</p> <p>Whilst all households are affected. Those in larger r properties (5 bed +) are likely to see larger decreases in the total amount of rent paid rent than those in smaller properties. Families of Bangladeshi descent tend to occupy larger family sized accommodation where the actual amount reduced is larger even though the % reduction is 1%, the same as across all properties.</p> <p>Just over 1.72% of all tenants of Bangladeshi origin are housed with 5 bedrooms or more, higher than the TH tenant average of 0.96%, which is a likely to be due to variations in family size.</p> <p>On the basis that the decreased rent charge is applied to the property, not the occupant, i.e. it applies to the tenant regardless of race, the decrease is not considered to have a disproportionate advantage/disadvantage effect on the grounds of race</p>

<b>Target Groups</b>  What impact will the 'new' or 'significantly' amended policy or function have on specific groups of service users?	<b>Impact – Positive or Adverse</b>	<b>Reason(s)</b> <ul style="list-style-type: none"> <li>• Please add a narrative to justify your claims around impacts and,</li> <li>• Please describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making</li> <li>• Can the negative impact be justified on the grounds of promoting equality?</li> </ul>
Disability	P	<p>The rent increase does not have a disproportionately adverse/positive effect on the grounds of disability.</p> <p>Records indicate that approximately 18.97% of tenants have a disability and will benefit from the 1% rent reduction. This is a little higher than the general population reflected in the 2011 census data which illustrates that 13.58% of residents have conditions which impact upon day to day activities either 'a little' or 'a lot'. This differential is likely to be a result of those with disability being increasingly likely to be within social housing due to being in priority need when making an application.</p> <p>Whilst all households are affected. Those in larger properties (5 bed +) are likely to see larger decreases in the total amount of rent paid rent than those in smaller properties. 0.96% of disabled tenants live in a property with 5 bedrooms or more, similar to the TH Tenant average of 1.01%, outlining there are no disproportionately favourable outcomes for this characteristic</p> <p>On the basis that the decreased rent charge is applied to the property, not the occupant, i.e. it applies to the tenant regardless of disability, the decrease is not considered to have a disproportionate advantage/disadvantage effect on the grounds of disability</p>
Gender	P	<p>The rent decrease does not have a disproportionately positive effect on tenants on the grounds of gender.</p> <p>Females make up 54.96% of tenancy holders. Gender is not a consideration in the way the rent increase is applied. Whilst women comprise the greater proportion of those impacted by the rent increase this is because women make up more than half of the tenancy holders,</p> <p>It is noted that the rent decrease is proportionately larger for occupants in larger properties. These tend to be</p>

<b>Target Groups</b>  What impact will the 'new' or 'significantly' amended policy or function have on specific groups of service users?	<b>Impact – Positive or Adverse</b>	<b>Reason(s)</b> <ul style="list-style-type: none"> <li>• Please add a narrative to justify your claims around impacts and,</li> <li>• Please describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making</li> <li>• Can the negative impact be justified on the grounds of promoting equality?</li> </ul>
		<p>occupied by females. 0.98% of all females occupy flats with 5 bedrooms or more, in comparison with 0.93% men, with this trend being carried across properties with more than 5 bedrooms.</p> <p>It is noted that the male/female ratio of tenancy holders is the reverse of the wider population, in that the population of Tower Hamlets is 51.5 % men and 48.5 % women (Census 2011). This anomaly is likely to be due to housing acceptance policy favouring applicants in priority need with children or who are pregnant, who are more likely to be women than men.</p> <p>0.84% of all females occupy a 5 bedroom property in comparison to 0.78% of men. The rates for males and females were similar for properties with 6 bedrooms +.showing these is no real favourable outcome</p> <p>On the basis that the decreased rent charge is applied to the property, not the occupant, i.e. it applies to the tenant regardless of gender, the decrease is not considered to have a disproportionate advantage/disadvantage effect on the grounds of gender.</p>
Gender Reassignment	P	<p>The rent decrease does not have a disproportionately positive effect on tenants on the grounds of gender re-assignment.</p> <p>The collection of data is continually improving in this area, however a large percentage of tenants still prefer not to provide this information. Of the data collected 0.13% have declared a re-assignment of gender.</p> <p>On the basis that the decreased rent charge is applied to the property, not the occupant, i.e. it applies to the tenant regardless of gender; the decrease is not considered to have a disproportionate advantage/disadvantage effect on the grounds of gender re-assignment.</p>

<b>Target Groups</b>  What impact will the 'new' or 'significantly' amended policy or function have on specific groups of service users?	<b>Impact – Positive or Adverse</b>	<b>Reason(s)</b> <ul style="list-style-type: none"> <li>• Please add a narrative to justify your claims around impacts and,</li> <li>• Please describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making</li> <li>• Can the negative impact be justified on the grounds of promoting equality?</li> </ul>
Sexual Orientation	P	<p>The rent increase does not have a disproportionately adverse effect on tenants of a specific sexual orientation.</p> <p>58.55% of tenants indicate a sexual orientation of heterosexual; with a large percentage (24.22%) preferring not to say, however, sexual orientation has no bearing of the application of the rent increase.</p> <p>It is noted that the rent decrease is proportionately larger for occupants in larger properties. These tend to be occupied by heterosexuals. 0% of all gay/lesbian tenants occupy a 5 bedroom property or above, it is expected this is to do with gay men/lesbian women being within smaller family units.</p> <p>On the basis that the decreased rent charge is applied to the property, not the occupant, i.e. it applies to the tenant regardless of sexuality, the decrease is not considered to have a disproportionate advantage/disadvantage effect on the ground of sexuality.</p>
Religion or Belief	P	<p>The rent decrease does not have a disproportionately positive effect on tenants on the grounds of their Religion or Belief.</p> <p>The 2011 Census revealed that 35% of LBTH citizens are of the Muslim faith, with the second largest faith in LBTH as Christian (27%). The tenant profile information confirms this trend is similar although the percentages differ, with 47.23% of tenants of a Muslim faith and 15.67% of Christian faith. The faith of approx. 29.65% of tenants is unknown as a number chose not to disclose this information.</p> <p>Whilst all households are affected. Those in larger r properties (5 bed +) are likely to see larger decreases in</p>

<b>Target Groups</b>  What impact will the 'new' or 'significantly' amended policy or function have on specific groups of service users?	<b>Impact – Positive or Adverse</b>	<b>Reason(s)</b> <ul style="list-style-type: none"> <li>• Please add a narrative to justify your claims around impacts and,</li> <li>• Please describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making</li> <li>• Can the negative impact be justified on the grounds of promoting equality?</li> </ul>
		<p>the total amount of rent paid rent than those in smaller properties. Just over 1.72% of all tenants of Muslim religion are housed with properties of 5 bedrooms or more, higher than the TH tenant average of 0.96%. These variations are similar, and tied to variation set out under the 'race' section of this analysis, with families of Muslim religion tend to occupy larger family sized accommodation.</p> <p>On the basis that the decreased rent charge is applied to the property, not the occupant, i.e. it applies to the tenant regardless of religion, the decrease is not considered to have a disproportionate advantage/disadvantage effect on the ground of religion.</p>
Age	P	<p>The rent decrease does not have a disproportionately positive effect on tenants on the grounds of age.</p> <p>The tenant profile data shows that the largest proportion as being those who are over 60 years old, who constitute 30.06% of all tenants. This is significantly higher than the distribution of this group across the borough population, with census data illustrating only 8.4% of all residents as being over 60 years old. Looking at the wider population the rent decrease while favouring those who are over 60, does not do so disproportionately as the decreased rent charge is applied to the property, not the occupant, i.e. it applies to the tenant regardless of age, the decrease is not considered to have a disproportionate advantage/disadvantage effect on the ground of age.</p>
Socio-economic	P	<p>There is currently no collection of data from tenant on their socio economic status.</p> <p>Social Housing is generally the preferred option for people on lower incomes. This is reflected in the fact that approx. 64.8% of tenants are in receipt of some Housing Benefit.</p>

<b>Target Groups</b>  What impact will the 'new' or 'significantly' amended policy or function have on specific groups of service users?	<b>Impact – Positive or Adverse</b>	<b>Reason(s)</b> <ul style="list-style-type: none"> <li>• Please add a narrative to justify your claims around impacts and,</li> <li>• Please describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making</li> <li>• Can the negative impact be justified on the grounds of promoting equality?</li> </ul>
		<p>The Benefits Cap has been reduced from £26,000 to £23,000 as part of the Welfare Reform and Work Bill. This would suggest that for a number of residents, those in larger more expensive accommodation, while rent will be reduced by 1% the potential level of benefit received to pay for accommodation is likely to decrease also.</p> <p>39.36% of all tenants are currently in some form of rent arrears of which a 1% decrease in rent will positively impact upon.</p>
Marriage and Civil Partnerships.	P	<p>The rent decrease does not have a disproportionately positive effect on tenants on the grounds of marriage or civil partnership.</p> <p>The marital &amp; civil partnership status of approx. 78..18% of tenants is unknown as a number chose not to disclose this information</p> <p>On the basis that the decreased rent charge is applied to the property, not the occupant, i.e. it applies to the tenant regardless of marital/civil partnership status, the decrease is not considered to have a disproportionate advantage/disadvantage effect on the ground of marital/civil partnership status.</p>
Pregnancy and Maternity	P	<p>The rent decrease does not have a disproportionately positive effect on tenants on the grounds of pregnancy or maternity status.</p> <p>The application of the rent increase cannot be affected by the tenant's situation regarding pregnancy or maternity responsibilities.</p>



<b>Target Groups</b>  What impact will the 'new' or 'significantly' amended policy or function have on specific groups of service users?	<b>Impact – Positive or Adverse</b>	<b>Reason(s)</b> <ul style="list-style-type: none"> <li>• Please add a narrative to justify your claims around impacts and,</li> <li>• Please describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making</li> <li>• Can the negative impact be justified on the grounds of promoting equality?</li> </ul>
		On the basis that the decreased rent charge is applied to the property, not the occupant, i.e. it applies to the tenant regardless of pregnancy/maternity status, the decrease is not considered to have a disproportionate advantage/disadvantage effect on the ground of this characteristic

**Section 4 – Conclusions and Recommendations**

From the analysis and interpretation of evidence in Section 2 and 3 – Is there any evidence of or view that suggests that different equality or other target groups have a disproportionately high/low take up of the service/function?

Yes?  No?

**APPENDIX 1**

<b>Recommendation</b>	<b>Key activity</b>	<b>Progress milestones including target dates for either completion or progress</b>	<b>Officer responsible</b>	<b>Progress</b>
Inform all tenants of Rent change in February.	Mandatory notice February		THH Rent Teams	
Inform tenants in March what they need to pay taking into account their new housing benefit entitlement from April	<p>Work with Housing Benefit to identify new awards.</p> <p>Have all letters checked and ready to be posted prior to the change to ensure tenants know what to pay from April.</p>		THH Rent Teams	
Provide tenants with explanation of the rent change with the offer of support.	Design and prepare insert to be sent out with the mandatory notice in February and with the notice in March. Leaflet to offer support where tenants feel they will struggle with the change.		THH Rent Teams	
Provide adequate staffing levels when notices are sent out in order to deal with increased contact generated.	Create customized rota and reduce annual leave for the selected period to ensure adequate staffing levels.		THH Rent Teams	
Inform front line staff from other departments of the changes in order to manage enquiries.	Provide front line Staff with FAQ's in order to respond to queries and sign post tenants to the relevant department.		THH Rent Teams	
Identify new impacted cases early as possible to provide advice to tenants on benefits on potential on entitlements	<p>Work with Housing Benefit to identify cases as and when they are impacted and not when they fall into arrears.</p> <p>Hold 'Welfare Reform surgeries' 3 times a week.</p> <p>Book appointments with tenants</p>		THH Rent Teams	

<b>Recommendation</b>	<b>Key activity</b>	<b>Progress milestones including target dates for either completion or progress</b>	<b>Officer responsible</b>	<b>Progress</b>
Revisit and monitor all cases affected by BC and BT, provide help, support and advice	<ul style="list-style-type: none"> <li>- Assess if any exemption apply.</li> <li>- Help tenants register to downsize.</li> <li>- Help tenants to apply for DHP where. Applicable.</li> <li>- Make referrals to partner advice agencies for budgeting, income maximisation and debt advice.</li> </ul>		THH Rent Teams	

Have monitoring systems been put in place to check the implementation of the policy/function and recommendations?

Yes?  No?

How will the monitoring systems further assess the impact on the equality target groups?

The above activities will be reviewed alongside measures that are in place to monitor the effectiveness of the rents pilot and impact on target groups.

<b>Name:</b> (signed off by)	
<b>Position:</b>	

<b>Date signed off:</b> (approved)	

**Section 7 Appendix – FOR OFFICE USE ONLY**

**Policy Hyperlink :**

<b>Equality Strand</b>	<b>Evidence</b>
<b>Race</b>	
<b>Disability</b>	
<b>Gender</b>	
<b>Sexual Orientation</b>	
<b>Religion and Belief</b>	
<b>Age</b>	
<b>Socio-Economic</b>	
<b>Other</b>	

<b>Link to original EQIA</b>	<b>Link to original EQIA</b>
<b>EQIAID</b> <b>(Team/Service/Year)</b>	

## Annex A - Tenant Profile by Protected Characteristics

Table 1 - Tenant profile by Ethnicity

<b>Ethnicity</b>	<b>No. of tenants</b>	<b>% of tenants</b>
Asian Or Asian British:Bangladeshi	6356	44.42%
White:British	2810	19.64%
White:Other White	1021	7.14%
Asian Or Asian British:Other Asian	518	3.62%
Black Or Black British:Somali	435	3.04%
Black Or Black British:Caribbean	372	2.60%
Black Or Black British:African	328	2.29%
Black Or Black British:Other Black	275	1.92%
White:Irish	197	1.38%
Asian Or Asian British:Indian	96	0.67%
Any Other Ethnic Group	94	0.66%
Asian Or Asian British:Vietnamese	89	0.62%
Asian Or Asian British:Chinese	88	0.61%
Asian Or Asian British:Pakistani	75	0.52%
Dual:Black African & White	68	0.48%
Dual:Other	50	0.35%
Dual:Black Caribbean & White	45	0.31%
Dual:Asian & White	20	0.14%
Dual:Asian And Black	1	0.01%
Prefer not to say	1077	7.53%
Unknown	294	2.05%
<b>Total</b>	<b>14309</b>	<b>100.00%</b>

**Table 2 - Tenant profile by Gender**

<b>Gender</b>	<b>No. of tenants</b>	<b>% of tenants</b>
Female	7864	<b>54.96%</b>
Male	6431	<b>44.94%</b>
Unknown	14	<b>0.10%</b>
<b>Total</b>	<b>14309</b>	<b>100.00%</b>

**Table 3 - Tenant profile by Age**

<b>Age Group</b>	<b>No. of tenants</b>	<b>% of tenants</b>
Under 16	34	<b>0.24%</b>
16 -19	17	<b>0.12%</b>
20 - 24	187	<b>1.31%</b>
25 - 29	760	<b>5.31%</b>
30 - 39	3070	<b>21.46%</b>
40 - 49	3210	<b>22.43%</b>
50 - 59	2583	<b>18.05%</b>
60 - 64	1080	<b>7.55%</b>
65+	3222	<b>22.52%</b>
Prefer not to say	76	<b>0.53%</b>
Unknown	70	<b>0.49%</b>

**Table 4 - Tenant profile by Disability**

<b>Disability</b>	<b>No. of tenants</b>	<b>% of tenants</b>
No disability	10626	<b>74.26%</b>
One or more disability	2714	<b>18.97%</b>
Unknown	969	<b>6.77%</b>
<b>Total</b>	<b>14309</b>	<b>100.00%</b>

**Table 5 - Tenant profile by Religion & Belief**

<b>Religion &amp; Belief</b>	<b>No. of tenants</b>	<b>% of tenants</b>
Muslim	6907	<b>48.27%</b>
Christian	2265	<b>15.83%</b>
No religion	822	<b>5.74%</b>
Jewish	63	<b>0.44%</b>
Other	70	<b>0.49%</b>
Buddhist	59	<b>0.41%</b>
Hindu	24	<b>0.17%</b>
Sikh	18	<b>0.13%</b>

Religion & Belief	No. of tenants	% of tenants
Prefer not to say	2343	16.37%
Unknown	1738	12.15%
<b>Total</b>	<b>14309</b>	<b>100.00%</b>

Table 6 - Tenant profile by Sexual Orientation

Sexual Orientation	No. of tenants	% of tenants
Heterosexual	8378	58.55%
Gay	52	0.36%
Bisexual	40	0.28%
Lesbian	14	0.10%
Other	4	0.03%
Prefer not to say	3465	24.22%
Unknown	2356	16.47%
<b>Total</b>	<b>14309</b>	<b>100.00%</b>

Table 7 - Tenant profile by Gender Re-assignment

Gender Reassignment	No. of tenants	% of tenants
Gender same as at birth	4037	28.21%
Gender reassigned	18	0.13%
Prefer not to say	1500	10.48%
Unknown	8754	61.18%
<b>Total</b>	<b>14309</b>	<b>100.00%</b>

Table 8 - Tenant profile by Marriage /Civil Partnership

Marriage/Civil Partnership	% of tenants
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\*Insufficient data

Table 9 – Maternity &amp; Pregnancy

Pregnancy & Maternity	% of tenants
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\*Insufficient data



## Annex B - Rent Analysis

**Table 10 - Average change per dwelling – by bedroom size 2017/18**

Bedsize	Average RENT CHARGE 16/17	Average of % Decrease 17/18	Average RENT CHARGE 17/18	Average of £ Decrease 17/18
0	83.60	-1%	82.76	0.84
1	97.30	-1%	96.33	0.97
2	110.0	-1%	108.90	1.10
3	123.7	-1%	122.46	1.24
4	138.7	-1%	137.31	1.39
5	154.4	-1%	152.86	1.54
6	157.7	-1%	156.12	1.58
7	164.1	-1%	162.46	1.64
8	176.5	-1%	174.74	1.77

**Table 11 - Social Rent Cap Levels (Registered Social Landlords)**

Bedroom size	Rent Cap in 2017-18	Rent Cap in 2016-17	Rent Cap in 2015-16	Rent Cap in 2014-15	Rent Cap in 2013-14	Rent Cap in 2012-13
Bedsit & one bedroom	£138.62	£140.02	£141.43	£137.71	£132.16	£127.57
Two bedrooms	£146.76	£148.24	£149.74	£145.80	£139.92	£135.06
Three bedrooms	£154.92	£156.48	£158.06	£153.90	£147.70	£142.57
Four bedrooms	£163.06	£164.71	£166.37	£162.00	£155.47	£150.07
Five bedrooms	£171.21	£172.94	£174.69	£170.10	£163.24	£157.57
Six or more bedrooms	£179.36	£181.17	£183.00	£178.19	£171.01	£165.07

## Annex C – Analysis of Tenant Profile & Property Bedsize

**Table 13 - GENDER & PROPERTY BED SIZE**

Gender by Bedsize	0 bed	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed	7 bed	8 bed	Total
Female	29.74%	42.09%	62.34%	60.29%	57.41%	56.90%	53.85%	50.00%	50.00%	54.96%
Male	70.13%	57.76%	37.61%	39.57%	42.59%	43.10%	46.15%	50.00%	50.00%	44.94%
Unknown	0.13%	0.15%	0.05%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Table 14 - AGE & PROPERTY BED SIZE**

Age Group by Bedsize	0 bed	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed	7 bed	8 bed	Total
Under 16	0.00%	0.18%	0.35%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%
16 - 19	0.00%	0.18%	0.14%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%
20 - 29	5.92%	2.54%	0.83%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	1.31%
30 - 39	15.79%	8.33%	5.31%	1.15%	0.82%	1.72%	0.00%	0.00%	0.00%	5.31%
40 - 49	26.84%	17.66%	29.61%	13.92%	8.03%	6.03%	0.00%	0.00%	0.00%	21.46%
50 - 59	18.03%	15.87%	24.16%	26.97%	24.22%	15.52%	0.00%	0.00%	0.00%	22.43%
60 - 69	13.16%	18.30%	15.59%	21.04%	25.85%	23.28%	46.15%	16.67%	50.00%	18.05%
70+	5.79%	8.30%	5.39%	9.19%	12.38%	19.83%	30.77%	50.00%	0.00%	7.55%
Prefer not to say	14.08%	27.92%	17.63%	25.82%	27.35%	31.90%	23.08%	33.33%	50.00%	22.52%
Unknown	0.26%	0.41%	0.59%	0.61%	0.54%	0.86%	0.00%	0.00%	0.00%	0.53%
<b>Total</b>	<b>0.13%</b>	<b>0.32%</b>	<b>0.41%</b>	<b>0.78%</b>	<b>0.82%</b>	<b>0.86%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.49%</b>





**Table 19 - DISABILITY & PROPERTY BED SIZE**

<b>Gender Reassignment by Bedsize</b>	<b>0 bed</b>	<b>1 bed</b>	<b>2 bed</b>	<b>3 bed</b>	<b>4 bed</b>	<b>5 bed</b>	<b>6 bed</b>	<b>7 bed</b>	<b>8 bed</b>	<b>Total</b>
Gender same as at birth	32.11%	31.69%	28.31%	24.67%	24.63%	22.41%	30.77%	50.00%	50.00%	28.21%
Gender reassigned	0.13%	0.23%	0.07%	0.12%	0.00%	0.86%	0.00%	0.00%	0.00%	0.13%
Prefer not to say	7.89%	8.68%	10.42%	12.13%	12.79%	19.83%	7.69%	0.00%	50.00%	10.48%
Unknown	59.87%	59.40%	61.20%	63.08%	62.59%	56.90%	61.54%	50.00%	0.00%	61.18%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Table 20 – MARRIAGE & CIVIL PARTNERSHIP & PROPERTY BED SIZE**

<b>Marriage &amp; Civil Partnership by Bedsize</b>	<b>0 bed</b>	<b>1 bed</b>	<b>2 bed</b>	<b>3 bed</b>	<b>4 bed</b>	<b>5 bed</b>	<b>6 bed</b>	<b>7 bed</b>	<b>8 bed</b>	<b>Total</b>
Married	3.29%	5.06%	23.45%	27.41%	29.80%	24.14%	30.77%	33.33%	100.00%	19.30%
Single	2.89%	3.22%	1.49%	0.26%	0.00%	0.86%	0.00%	0.00%	0.00%	1.59%
Separated marriage/civil partnership	0.39%	0.23%	0.50%	0.09%	0.14%	0.00%	0.00%	0.00%	0.00%	0.31%
Widowed	0.13%	0.15%	0.19%	0.32%	0.14%	0.00%	0.00%	0.00%	0.00%	0.20%
Divorced	0.00%	0.12%	0.22%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%
Co-habiting	0.00%	0.15%	0.14%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.11%
Same-sex registered civil partnership	0.00%	0.00%	0.02%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
Prefer not to say	0.00%	0.29%	0.09%	0.14%	0.14%	0.00%	0.00%	0.00%	0.00%	0.15%
Unknown	93.29%	90.79%	73.90%	71.56%	69.80%	75.00%	69.23%	66.67%	0.00%	78.18%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Table 21 – PREGNANCY & MATERNITY & PROPERTY BED SIZE**

<b>Pregnancy &amp; Maternity by Bedsize</b>	<b>0 bed</b>	<b>1 bed</b>	<b>2 bed</b>	<b>3 bed</b>	<b>4 bed</b>	<b>5 bed</b>	<b>6 bed</b>	<b>7 bed</b>	<b>8 bed</b>	<b>Total</b>
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\*Insufficient data

**Table 22 - Stock Profile by Bedsize**

Bed Size	Social Housing	Council
0	769	6.4
1	3,295	27.6
2	4,709	39.4
3	2,566	21.5
4	518	4.3
5	76	0.6
6	8	0.1
7	4	0.0
8	2	0.0
Total	11,947	100.0

## Annex D – Analysis of Tenant Profile & HB Status

HB Status Overview	Full HB	Partial HB	Not in receipt of HB	Total
Number of Council Tenants	4,908	4,368	5,033	14,309
% of council Tenants	34.3%	30.5%	35.2%	100%

Age Group By HB Status	Full HB	Partial HB	Not in receipt of HB	Total
Under 16	0.22%	0.27%	0.22%	0.24%
16 -19	0.14%	0.09%	0.12%	0.12%
20 - 24	0.96%	0.64%	2.23%	1.31%
25 - 29	3.46%	3.66%	8.54%	5.31%
30 - 39	17.11%	21.89%	25.31%	21.46%
40 - 49	19.32%	26.90%	21.60%	22.43%
50 - 59	16.18%	18.43%	19.55%	18.05%
60 - 64	8.19%	7.49%	6.97%	7.55%
65+	33.82%	19.76%	13.89%	22.52%
Prefer not to say	0.14%	0.30%	1.11%	0.53%
Unknown	<b>0.45%</b>	<b>0.57%</b>	<b>0.46%</b>	<b>0.49%</b>

Gender by HB Status	Full HB	Partial HB	Not in receipt of HB	Total
Female	55.79%	57.62%	51.84%	54.96%
Male	44.17%	42.35%	47.94%	44.94%
Unknown	0.04%	0.02%	0.22%	0.10%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Sexual Orientation by HB Status	Full HB	Partial HB	Not in receipt of HB	Total
Heterosexual	60.35%	59.82%	55.69%	58.55%
Gay	0.45%	0.14%	0.48%	0.36%
Bisexual	0.31%	0.16%	0.36%	0.28%
Lesbian	0.08%	0.02%	0.18%	0.10%
Other	0.06%	0.02%	0.00%	0.03%
Prefer not to say	24.88%	26.44%	21.64%	24.22%
Unknown	13.88%	13.39%	21.66%	16.47%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Ethnicity by HB Status</b>	<b>Full HB</b>	<b>Partial HB</b>	<b>Not in receipt of HB</b>	<b>Total</b>
Asian Or Asian British:Bangladeshi	41.26%	54.72%	38.57%	44.42%
White:British	21.84%	16.44%	20.27%	19.64%
White:Other White	9.41%	5.04%	6.74%	7.14%
Asian Or Asian British:Other Asian	3.61%	4.37%	2.98%	3.62%
Black Or Black British:Somali	3.99%	2.15%	2.88%	3.04%
Black Or Black British:Caribbean	2.65%	1.63%	3.40%	2.60%
Black Or Black British:African	1.85%	1.76%	3.18%	2.29%
Black Or Black British:Other Black	1.51%	1.35%	2.82%	1.92%
White:Irish	2.26%	0.94%	0.89%	1.38%
Asian Or Asian British:Indian	0.94%	0.27%	0.76%	0.67%
Any Other Ethnic Group	0.73%	0.66%	0.58%	0.66%
Asian Or Asian British:Vietnamese	0.57%	0.89%	0.44%	0.62%
Asian Or Asian British:Chinese	0.49%	0.73%	0.64%	0.61%
Asian Or Asian British:Pakistani	0.59%	0.53%	0.46%	0.52%
Dual:Black African & White	0.45%	0.25%	0.70%	0.48%
Dual:Other	0.41%	0.25%	0.38%	0.35%
Dual:Black Caribbean & White	0.35%	0.27%	0.32%	0.31%
Dual:Asian & White	0.14%	0.09%	0.18%	0.14%
Dual:Asian And Black	0.00%	0.02%	0.00%	0.01%
Prefer not to say	5.60%	5.82%	10.89%	7.53%
Unknown	1.34%	1.81%	2.96%	2.05%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Religion &amp; Belief by HB Status</b>	<b>Full HB</b>	<b>Partial HB</b>	<b>Not in receipt of HB</b>	<b>Total</b>
Muslim	47.21%	57.81%	41.03%	48.27%
Christian	17.36%	12.50%	17.23%	15.83%
No religion	6.21%	4.62%	6.26%	5.74%
Other	0.47%	0.48%	0.52%	0.49%
Jewish	0.69%	0.21%	0.40%	0.44%
Buddhist	0.35%	0.50%	0.40%	0.41%
Hindu	0.20%	0.11%	0.18%	0.17%
Sikh	0.20%	0.09%	0.08%	0.13%
Prefer not to say	16.32%	13.87%	18.60%	16.37%
Unknown	10.98%	9.80%	15.32%	12.15%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Disability by HB Status</b>	<b>Full HB</b>	<b>Partial HB</b>	<b>Not in receipt of HB</b>	<b>Total</b>
No disability	65.36%	77.75%	79.91%	74.26%
One or more disability	30.40%	16.83%	9.68%	18.97%



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Unknown	4.24%	5.43%	10.41%	6.77%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Gender Reassignment by HB Status</b>	<b>Full HB</b>	<b>Partial HB</b>	<b>Not in receipt of HB</b>	<b>Total</b>
Gender same as at birth	28.83%	27.91%	27.88%	28.21%
Gender reassigned	0.16%	0.09%	0.12%	0.13%
Prefer not to say	10.11%	11.54%	9.93%	10.48%
Unknown	60.90%	60.46%	62.07%	61.18%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Marriage &amp; Civil Partnership by HB Status</b>	<b>Full HB</b>	<b>Partial HB</b>	<b>Not in receipt of HB</b>	<b>Total</b>
Married	16.85%	25.48%	16.31%	19.30%
Single	2.14%	0.82%	1.73%	1.59%
Separated marriage/civil partnership	0.26%	0.25%	0.40%	0.31%
Widowed	0.33%	0.25%	0.04%	0.20%
Divorced	0.20%	0.14%	0.10%	0.15%
Co-habiting	0.08%	0.02%	0.22%	0.11%
Same-sex registered civil partnership	0.00%	0.00%	0.04%	0.01%
Prefer not to say	0.02%	0.09%	0.32%	0.15%
Unknown	80.11%	72.94%	80.85%	78.18%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Pregnancy &amp; Maternity by HB Status</b>	<b>Full HB</b>	<b>Partial HB</b>	<b>Not in receipt of HB</b>	<b>Total</b>
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\*Insufficient data

## Annex E – Analysis of Tenant Profile & Rent Arrears

Rent Arrears	In Arrears	Not in Arrears	Total
Numbers of Tenants	5,632	8,677	14,309
% of Tenants	39.36%	60.64%	100%

Age Group by Rent Arrears	In Arrears	Not in Arrears	Total
Under 16	0.23%	0.24%	0.24%
16 -19	0.14%	0.10%	0.12%
20 - 24	1.69%	1.06%	1.31%
25 - 29	6.78%	4.36%	5.31%
30 - 39	23.63%	20.04%	21.46%
40 - 49	27.10%	19.41%	22.43%
50 - 59	19.90%	16.85%	18.05%
60 - 64	6.87%	7.99%	7.55%
65+	12.68%	28.90%	22.52%
Prefer not to say	0.48%	0.56%	0.53%
Unknown	0.50%	0.48%	0.49%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Gender by Rent Arrears	In Arrears	Not in Arrears	Total
Female	55.74%	54.45%	54.96%
Male	44.21%	45.42%	44.94%
Unknown	0.05%	0.13%	0.10%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Sexual Orientation by Rent Arrears	In Arrears	Not in Arrears	Total
Heterosexual	57.42%	59.28%	58.55%
Gay	0.18%	0.48%	0.36%
Bisexual	0.34%	0.24%	0.28%
Lesbian	0.11%	0.09%	0.10%
Other	0.05%	0.01%	0.03%
Prefer not to say	24.91%	23.76%	24.22%
Unknown	16.99%	16.12%	16.47%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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<b>Ethnicity by Rent Arrears</b>	<b>In Arrears</b>	<b>Not in Arrears</b>	<b>Total</b>
Asian Or Asian British:Bangladeshi	49.02%	41.43%	44.42%
White:British	15.38%	22.40%	19.64%
White:Other White	5.98%	7.88%	7.14%
Asian Or Asian British:Other Asian	3.96%	3.40%	3.62%
Black Or Black British:Somali	4.33%	2.20%	3.04%
Black Or Black British:Caribbean	3.00%	2.34%	2.60%
Black Or Black British:African	2.93%	1.88%	2.29%
Black Or Black British:Other Black	2.41%	1.60%	1.92%
White:Irish	0.83%	1.73%	1.38%
Asian Or Asian British:Indian	0.75%	0.62%	0.67%
Any Other Ethnic Group	0.62%	0.68%	0.66%
Asian Or Asian British:Vietnamese	0.46%	0.73%	0.62%
Asian Or Asian British:Chinese	0.27%	0.84%	0.61%
Asian Or Asian British:Pakistani	0.41%	0.60%	0.52%
Dual:Black African & White	0.51%	0.45%	0.48%
Dual:Other	0.30%	0.38%	0.35%
Dual:Black Caribbean & White	0.46%	0.22%	0.31%
Dual:Asian & White	0.09%	0.17%	0.14%
Dual:Asian And Black	0.00%	0.01%	0.01%
Prefer not to say	6.09%	8.46%	7.53%
Unknown	2.18%	1.97%	2.05%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Religion &amp; Belief by Rent Arrears</b>	<b>In Arrears</b>	<b>Not in Arrears</b>	<b>Total</b>
Muslim	54.21%	44.42%	48.27%
Christian	11.90%	18.38%	15.83%
No religion	5.68%	5.79%	5.74%
Other	0.46%	0.51%	0.49%
Jewish	0.28%	0.54%	0.44%
Buddhist	0.28%	0.50%	0.41%
Hindu	0.12%	0.20%	0.17%
Sikh	0.20%	0.08%	0.13%
Prefer not to say	14.26%	17.75%	16.37%
Unknown	12.61%	11.85%	12.15%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Disability by Rent Arrears</b>	<b>In Arrears</b>	<b>Not in Arrears</b>	<b>Total</b>
No disability	78.21%	71.70%	74.26%
One or more disability	16.12%	20.81%	18.97%
Unknown	5.66%	7.49%	6.77%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Gender Reassignment by Rent Arrears</b>	<b>In Arrears</b>	<b>Not in Arrears</b>	<b>Total</b>
Gender same as at birth	28.39%	28.10%	28.21%
Gender reassigned	0.09%	0.15%	0.13%
Prefer not to say	10.67%	10.36%	10.48%
Unknown	60.85%	61.39%	61.18%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Marriage &amp; Civil Partnership by Rent Arrears</b>	<b>In Arrears</b>	<b>Not in Arrears</b>	<b>Total</b>
Married	21.64%	17.77%	19.30%
Single	1.94%	1.37%	1.59%
Separated marriage/civil partnership	0.34%	0.29%	0.31%
Widowed	0.20%	0.21%	0.20%
Divorced	0.25%	0.08%	0.15%
Co-habiting	0.18%	0.07%	0.11%
Same-sex registered civil partnership	0.02%	0.01%	0.01%
Prefer not to say	0.21%	0.10%	0.15%
Unknown	75.23%	80.10%	78.18%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Pregnancy &amp; Maternity by Rent Arrears</b>	<b>In Arrears</b>	<b>Not in Arrears</b>	<b>Total</b>
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\*Insufficient data

## Annex F - Community & Population Data

Figure 2 Population by ethnic group, Tower Hamlets, 2011 Census

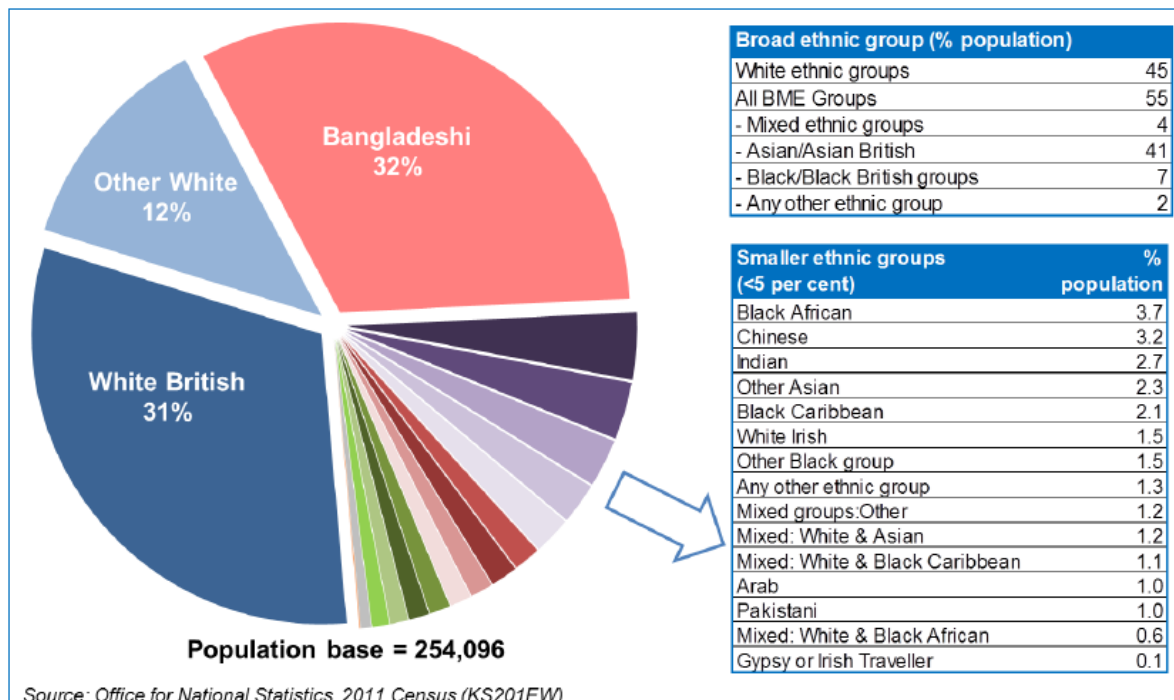


Figure 1 Population by religion, Tower Hamlets, 2011

What is your religion?

This question is voluntary

No religion

Christian (including Church of England, Catholic, Protestant and all other Christian denominations)

Buddhist

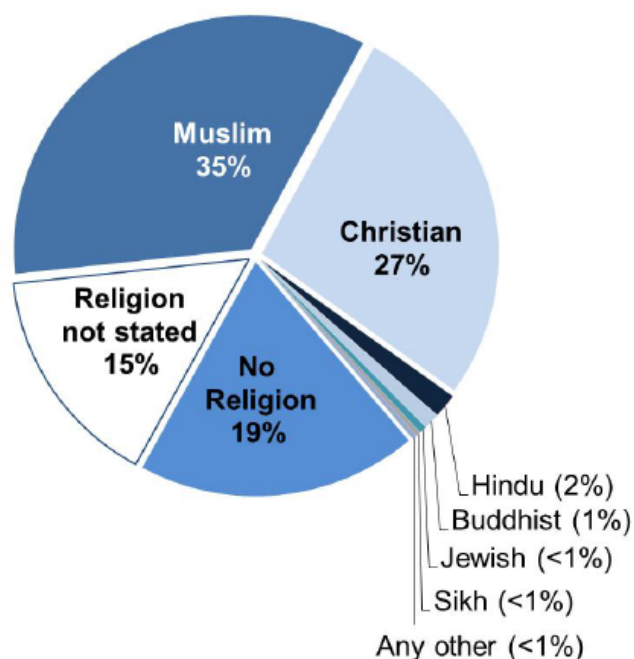
Hindu

Jewish

Muslim

Sikh

Any other religion, write in



Source: Office for National Statistics, Census 2011 (KS209).

**Borough Population by Sex (Census 2011)**

<b>Sex</b>	<b>2011 Number</b>	<b>2011 Percentage</b>
All persons	254,096	100
Males	130,906	51.52
Females	123,190	48.48

**Borough Population by Disability (Census 2011)**


<b>Disability</b>	<b>2011 Number</b>	<b>2011 Percentage</b>
All categories: Long-term health problem or disability	254,096	100
Day-to-day activities limited a lot	17,258	6.79
Day-to-day activities limited a little	17,045	6.71
Day-to-day activities not limited	219,793	86.50

**Borough Population by Age (Census 2011)**

<b>Age</b>	<b>2011</b>	
	<b>number</b>	<b>%</b>
All usual residents	254,096	100.0
Age 0 to 4	18,750	7.4
Age 5 to 7	9,697	3.8
Age 8 to 9	5,834	2.3
Age 10 to 14	13,202	5.2
Age 15	2,660	1.0
Age 16 to 17	4,953	1.9
Age 18 to 19	7,010	2.8
Age 20 to 24	30,818	12.1
Age 25 to 29	40,157	15.8
Age 30 to 44	70,245	27.6
Age 45 to 59	29,337	11.5
Age 60 to 64	5,863	2.3
Age 65 to 74	8,169	3.2
Age 75 to 84	5,611	2.2
Age 85 to 89	1,256	0.5
Age 90 and over	534	0.2

**EQUALITY ANALYSIS QUALITY ASSURANCE CHECKLIST – ALLOCATIONS SCHEME**

<p><b>Name of ‘proposal’ and how has it been implemented</b> (proposal can be a policy, service, function, strategy, project, procedure, restructure/savings proposal)</p>	<p><b>Proposals to amend the Allocation Scheme as follows: -</b></p> <ol style="list-style-type: none"> <li><b>1. Introduce National Right to Move scheme as required by new government regulations</b></li> <li><b>2. Amendments to the Allocations scheme to respond to the risk of legal challenges to the 3 year residential criteria to be eligible to go onto the Housing Register.</b></li> <li><b>3. Amendment to the Allocations Scheme to place an age restriction for children sharing when bidding for smaller properties than assessed need</b></li> <li><b>4. Reduction to the quota of lettings to applicants in Band 3 who are not in housing need, in order to increase resources available for higher priority applicants in Bands 1 &amp; 2.</b></li> <li><b>5. To seek authority to use a limited amount of lettings each year to provide cost effective and suitable temporary accommodation for homeless households in the borough</b></li> <li><b>6. Agree the annual Lettings Plan and to expand criteria to qualify for key worker status</b></li> </ol>
<p><b>Directorate / Service</b></p>	<p><b>Development and Renewal</b></p>
<p><b>Lead Officer</b></p>	<p><b>Rafiqul Hoque Service Manager – Lettings</b></p>
<p><b>Signed Off By (inc date)</b></p>	<p><b>Jackie Odunoye</b></p>
<p><b>Summary –</b></p>	<p>As a result of performing the QA checklist, the policy, project or function does not appear to have any adverse effects on people who</p>

	<p>share <i>Protected Characteristics</i> and no further actions are recommended at this stage.</p> <p><b>Proceed with implementation</b></p> 
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Stage	Checklist Area / Question	Yes / No / Unsure	Comment (If the answer is no/unsure, please ask the question to the SPP Service Manager or nominated equality lead to clarify)
<b>1</b>	<b>Overview of Proposal</b>		
a	Are the outcomes of the proposals clear?	Yes	The proposals are: - to introduce changes required by new government regulation; to give access to the scheme to some applicants hitherto excluded by the residential qualification; to introduce some limitation on bidding for smaller property than assessed need which will reduce the risk of overcrowding; to seek authority for alternative use of a limited amount of housing supply for temporary accommodation to meet the need for such provision in the borough; to set out annual targets for special needs groups; to expand the criteria for professions eligible for key worker status to include social workers ; a reduction in the quota for the lowest priority band to divert resources to higher bands on the Housing Register.
b	Is it clear who will be or is likely to be affected by what is being proposed (inc service users and staff)? Is there information about the equality profile of those affected?	Yes	The equality profile of service users have been examined from existing data where appropriate for example in relation to a proposal to make changes to existing use of resources.
<b>2</b>	<b>Monitoring / Collecting Evidence / Data and Consultation</b>		
a	Is there reliable qualitative and quantitative data to support claims made about impacts?	Yes	Data required is available from existing data collection sources and housing applicant records
	Is there sufficient evidence of local/regional/national research that can inform the analysis?	Yes	Local data as above
b	Has a reasonable attempt been made to ensure relevant knowledge and expertise (people, teams and partners) have	Yes	Data has been gathered and shared with specialist housing and managerial staff.



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	been involved in the analysis?		
c	Is there clear evidence of consultation with stakeholders and users from groups affected by the proposal?	Yes	The proposals have been discussed between service areas and there has been consultation with service users.
<b>3</b>	<b>Assessing Impact and Analysis</b>		
a	Are there clear links between the sources of evidence (information, data etc) and the interpretation of impact amongst the nine protected characteristics?	Yes	Care has been taken to evaluate the impact of these changes on the many applicants on the Housing Register competing for scarce housing resources. It is believed that there will not be any disproportionate impact on any particular group.
b	Is there a clear understanding of the way in which proposals applied in the same way can have unequal impact on different groups?	Yes	<p>Work has been undertaken to assess and evaluate any potential disproportionate impact where appropriate. As properties are let through choice based lettings, which is a competitive bidding process with preference given by date order of registration, it is difficult to predict the outcome of the pattern of lettings throughout the year. However the composition of any of the three bands on the Housing Register could affect the balance of lettings outcomes if the band contained a disproportionate number of any particular group.</p> <p>The proposal to reduce the annual quota of lettings to the lowest priority band (Band 3) in the Allocations Scheme in order to increase the housing resources available to the higher priority bands (Bands 1 &amp; 2) was examined to ascertain whether any disproportionate effect might occur by this transfer of resources.</p> <p>Analysis of the applicants in Band 3 by ethnicity compared with the composition of the whole Housing Register by ethnicity shows that the proportions in Band 3 are broadly in line with the proportions on the register as a whole.</p> <p>Closer analysis of the 3 bands by ethnicity and separated out by bedsize need shows more variation between the groups. This is to be expected as this will reflect local population characteristics and some difference in housing need profile in the borough.</p> <p>For example, an analysis of 3 bed need by ethnicity shows that the</p>

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			<p>proportion of each ethnic group is broadly the same in each of the 3 bands. However in relation to 1 bed need Asian households are over represented in Band 2 compared with their overall proportion on the Housing Register. This reflects a higher level of overcrowding amongst Asian households in the borough than other groups. By contrast in relation to one bed need White households are over represented in Band 1 compared with their proportion on the Housing Register. This is largely due to a higher proportion of older white applicants in larger property that have applied for an under occupation transfer. This category is given high priority in the Allocations Scheme in Band 1 as it frees up family sized property which is in high demand. This benefits all applicants by making better use of the available supply of housing.</p> <p>Analysis of the impact of the proposal to move a modest amount of annual housing resources away from Band 3 to higher priority applicants in Band 1 &amp; 2 indicates it is unlikely for there to be any disproportionate impact on any particular group.</p> <p>There are no indications that any of the other proposals will have a disproportionate impact on any particular group.</p>
<b>4</b>	<b>Mitigation and Improvement Action Plan</b>		
<b>a</b>	Is there an agreed action plan?	No	But the outcome of these changes if implemented will along with other significant factors relating to housing supply and demand, be routinely monitored and reported upon in annual Lettings Plan report.
<b>b</b>	Have alternative options been explored	Yes	Regarding the new government regulations on the Right to Move, the Council is obliged to implement these changes. In relation to ameliorating the risk of legal challenge to the 3 year residential requirement to apply to go on the Housing Register, the proposed solution in the report was chosen following legal advice on the options and assessment of the implications of those options.


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			The remaining proposals in the report were developed to make the best use of limited resources in response to pressures of demand for housing in the borough following consideration of alternatives and consultation with partners.
<b>5</b>	<b>Quality Assurance and Monitoring</b>		
a	Are there arrangements in place to review or audit the implementation of the proposal?	Yes	All the above proposals will be monitored and analysed to ensure the right outcomes are achieved as part of the routine monitoring and management of supply and demand for housing in the borough and the reporting on performance against annual targets in the Lettings Plan.
b	Is it clear how the progress will be monitored to track impact across the protected characteristics??	Yes	The data is available to monitor the impact and is reported on regularly and shared with Common Housing Register Partners.
<b>6</b>	<b>Reporting Outcomes and Action Plan</b>		
a	Does the executive summary contain sufficient information on the key findings arising from the assessment?	Yes	


### Appendix A

(Sample) Equality Assessment Criteria

<b>Decision</b>	<b>Action</b>	<b>Risk</b>
As a result of performing the QA checklist, it is evident that due regard is not evidenced in the proposal and / or a risk of discrimination exists (direct, indirect, unintentional or otherwise) to one or more of the nine groups of people who share <i>Protected Characteristics</i> . It is recommended	<b>Suspend – Further Work Required</b>	<b>Red</b> 

<p>that the proposal be suspended until further work or analysis is performed – via a the Full Equality Analysis template</p>		
<p>As a result of performing the QA checklist, the policy, project or function does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.</p>	<p><b>Proceed with implementation</b></p>	<p><b>Green:</b> </p>

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<b>Cabinet</b>  1 November 2016	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Aman Dalvi, Corporate Director of Development and Renewal	<b>Classification:</b> Unrestricted
<b>Amendments to Housing Allocations Scheme</b>	

<b>Lead Member</b>	<b>Councillor Sirajul Islam Cabinet Member for Housing Management &amp; Performance</b>
<b>Originating Officer(s)</b>	Jackie Odunoye, Service Head Strategy, Regeneration, Sustainability & Housing Options
<b>Wards affected</b>	All
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<b>A Great Place to Live</b>

### Executive Summary

This report for Cabinet recommends that the Allocations Scheme is amended in relation to the new Right to Move for employment reasons, introduced by government regulation. Members are asked to agree to the introduction of a new sub band to the Allocations Scheme following legal advice in relation to the 3 year residence requirement to be eligible to go on the Housing Register. Members are also asked to agree to amend the Allocations Scheme to place a restriction on applicants bidding for property smaller than their assessed need based upon the age/gender of children in order to avoid overcrowding.

The report further recommends a reduction in the quota for applicants not in housing need in Band 3 in order to direct more resources to higher priority applicants in housing need in Bands 1 & 2. Members are also asked to agree to give delegated authority to Director of Development and Renewal to set a target each year for a limited number of general needs properties to be used for temporary accommodation in the borough due to the procurement problems being experienced.

Members are asked to agree the Lettings Plan for 2016/17 and 2017/18 and to amend the criteria for key workers in the Allocations Scheme to include social workers.

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### **Recommendations:**

The Mayor in Cabinet is recommended to:

- i. Note the changes to the Allocations Scheme regarding the new Right to Move for employment reasons as required by changes in government regulations.
- ii. Agree to a new sub band in Band 2 of the Allocations Scheme to avoid the risk of legal challenge to present policy on applicants in housing need who do not meet the 3 year residence requirement.
- iii. Agree to restrict existing policy that allows applicants to bid for 1 bed smaller than their assessed bedroom need and allow room sharing only where children of opposite sexes are both under 10 years old.
- iv. Agree to amend the quota for Band 3 lets from 10% of one, two and three bed properties to 5% of 1 bed & studios per annum.
- v. Authorise the use of some social housing general needs stock as non – secure tenancies for temporary accommodation up to a maximum of 100 units per annum.
- vi. Agree the Lettings Plan for 2016/17 and extend it to 2017/18.
- vii. Agree to add social worker to the professions that qualify for key workers status set out in the Allocations scheme.
- viii. Re-instate power to discharge the housing duty by making a Private Rental Sector Offer

## **APPENDIX 3**

### **1. REASONS FOR THE DECISIONS**

- 1.1 Members are asked to agree to amendments in the Allocations Scheme in response to changes in government regulations requiring the local authority to comply and in relation to legal advice on the 3 year residence requirement to qualify to go onto the Housing Register.
- 1.2 Members are asked to agree to further amendments to the Allocations Scheme to respond to increasing homeless demand and the need for more affordable temporary accommodation in the borough.
- 1.3 The Lettings Plan has been updated for 2016/17 and 2017/18 and is set out in paragraph 3.80 of this report for decision by Cabinet. Members are also asked to amend the criteria for key workers in the Scheme to include social workers.

### **2. ALTERNATIVE OPTIONS**

- 2.1 The Council is required to implement the new Right to Move in accordance with government regulation and no alternative has been identified.
- 2.2 The alternative to introducing a new sub band would be to assess each case on its individual merits. This would require administrative resources to carry out detailed casework on what could be a substantial number of new applicants.
- 2.3 The alternative is to continue with the existing policy that does not allow sharing a bedroom for children of different sex, regardless of age.
- 2.4 Alternative options are to maintain the existing quota of 10% of lettings up to 3 bedroom size property or reduce it to 5% of lettings up to 3 bedroom size.
- 2.5 Alternative options are to not agree to the proposal, or agree to a different annual target of properties for the purpose of temporary accommodation.
- 2.6 Members may wish to amend the targets in the Lettings Plan for any of the Priority Target Groups.
- 2.7 Members may decide not to include social workers in the professions that qualify for key worker status in the Allocations Scheme.

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### **3. DETAILS OF REPORT**

#### **Right to Move**

- 3.1 A new regulation came into effect on 20<sup>th</sup> April 2015 requiring local authorities to set aside 1% of lets to rehouse 'social tenants' who want to move for employment reasons where the employment is more than one year and over 16 hours per week. Local authorities must give reasonable preference to those who qualify and publish lets against the 1% target.
- 3.2 The Council will have to comply with the new regulation and this can be done by creating a new Priority Target Group in Band 1B in the Allocation scheme. Feedback from the Residents Focus Group supported this new regulation. However, demand from 'existing social tenants' outside the borough seeking to move to Tower Hamlets for employment reasons is likely to be low.
- 3.3 The Housing Moves scheme operated by the London Mayor allows for moves for tenants in London. Any lets through the existing Housing Moves scheme can be included in the 1% target which would reduce the impact of the numbers rehoused under the new right to move regulation.

#### **3 Year Residence Requirement**

- 3.4 In 2013 following the Localism Act, the allocations scheme was amended to require 3 years continuous residence in the borough to be eligible to go onto the housing register unless exceptional reasons applied.
- 3.5 There is recent case law involving Ealing Council where their policy included a similar residential requirement that was challenged by a homeless applicant fleeing domestic violence who did not meet the criteria. The court found Ealing Council's policy to be unlawful because it failed to give reasonable preference to the applicant who was entitled to it under statute.
- 3.6 The Tower Hamlets allocations scheme is similarly vulnerable to legal challenge as it does not give reasonable preference to applicants in housing need in the borough if they do not meet the 3 year residence requirement. So far this issue has been managed by considering cases that have arisen on an exceptions basis where a request for a review by the applicant has been made.
- 3.7 However legal advice is that placing the onus on the applicant to raise the issue is potentially unlawful and the Council should assess each case for possible exceptional circumstances. This would require investigation and verification of the circumstances of each case. This would be a substantial administrative burden.
- 3.8 Removing the residency requirement would be unpopular amongst borough residents. An alternative would be to create a sub band in Band 2 (Band 2B) for applicants who are in housing need but do not meet the 3 year residence requirement.



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- 3.9 This would give them reasonable preference by being given greater priority than applicants in Band 3 and would therefore be legally compliant. However they would have lower priority than other Band 2 applicants who meet the residence requirement.
- 3.10 Members are asked to agree to the introduction of a sub band in Band 2 designated Band 2B. This would resolve the risk of legal challenge to the present scheme whilst retaining the 3 year residential qualification period.
- 3.11 Should applicants placed in Band 2B subsequently meet the 3 year residential requirement they would qualify for Band 2 and be given a new preference date from when their circumstances changed in line with existing rules of the Allocations Scheme. This rule is to ensure that when an applicant moves to a higher priority band because of change of circumstances they would not have a higher preference date than applicants in the higher priority band before them.
- 3.12 The results of public consultation on this proposal are mixed. 60% of respondents consider the 3 year residence requirement is about the right length. However support for the proposed new sub band is relatively low with 32% supporting it, 44.5% not supporting it. This may be due to the limitations of the question asked which did not explain that the proposal is intended to reduce the risk of legal challenges to the policy and that the more costly alternative would be to commit staff resources to assessing the individual circumstances of each case that might arise.

### **Residential qualification and temporary moves out of borough**

- 3.13 Members have raised concerns about individual cases where an applicant may move out of the borough for a limited period for good reason but in doing so may be considered to no longer meet the 3 year residence qualification or lose time in the borough towards meeting it. There are different scenarios where this issue may arise.
- 3.14 Members are asked to agree that where an applicant has been accepted onto the housing register but moves out of the borough for a short period for exceptional reasons, for example domestic violence, the time spent out of borough should not automatically count against them. Each case will be considered on its own merits.
- 3.15 Where an applicant applies as homeless and the Council accepted it had a statutory duty to assist them, then the local connection rules in Part VII of the 1996 Housing Act would apply. In relation to residence, a local connection is defined as 6 out of the last 12 months or 3 years out of the last 5.
- 3.16 Where a housing applicant does not meet the 3 year residential criteria but is in housing need they would be placed in the proposed new sub band in Band 2 should Members agree to this proposal.

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### **Bidding for smaller property than assessed need**

- 3.17 In 2013 in response to welfare reforms, the allocations scheme was amended to allow applicants to bid for 1 bed smaller (1 bed space only) than their household requirement. In 2015 /16, 216 applicants were rehoused on this basis.
- 3.18 Common Housing Register partners have raised concerns that some families not affected by the welfare reform changes were rehoused in this way causing unacceptable overcrowding, e.g. a single mother and teenage daughter rehoused in a 1 bed property.
- 3.19 The partner's reluctance to overcrowd conflicts with a demand from applicants to be able to choose a smaller size property than their household need in order to resolve their housing problem. Continuing this policy will assist managing homeless demand and help maintain control over temporary accommodation numbers and costs. The numbers rehoused in 2015/16 demonstrate that there is a demand from applicants to be able to exercise this choice.
- 3.20 CHR partners have been consulted and in response to their concerns Members are asked to agree that the provision to be able to bid for 1 bed less than assessed need is retained but subject to an age restriction that room sharing would only be accepted where there are children of the opposite sex if they are under 10 years old.
- 3.21 The majority of responses from the public consultation supported this proposal. 49.1% agreed with it, 34.8% did not.

### **Homeless Demand and the Allocations Scheme**

- 3.22 The pre 2010 Allocations Scheme contained an incentive to apply as homeless because homeless households were placed in a higher priority band than overcrowded housing register and transfer cases. As a consequence homeless applications and demand for temporary accommodation was high.
- 3.23 When the Scheme was reviewed in 2010, a core objective was to try and reduce homeless applications. The revised Allocations Scheme implemented in 2010, placed homeless, housing register and transfer cases in the same band (Band 2) where preference was given in date order of registration. This produced a simple date order queue that was transparent, easy to understand and administer.
- 3.24 Under the new scheme, if an existing overcrowded Housing Register applicant made a homeless application they were given a new preference date (the date they applied as homeless). This meant they lost their previous waiting time on the register as a housing applicant.
- 3.25 The objective was to reduce homeless demand by giving an incentive to housing register applicants living in insecure accommodation to remain with friends or family if possible. Prior to 2010 by far the largest group of homeless applications came from such applicants.

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- 3.26 A reduction in homeless demand meant that more housing supply would be available for housing register applicants and demand for and cost of temporary accommodation could be reduced. The objective was to create a genuine alternative to making a homeless application for those who could remain with friends or family, by providing a better route to rehousing than if they applied as homeless. However, those that chose to do so would remain overcrowded while they were waiting on the list.
- 3.27 Changing the preference date from the original housing application to the date of registering a homeless application meant loss of any previous waiting time in the date order queue. On the other hand any disadvantage was offset by the fact they would be given suitable temporary accommodation pending permanent rehousing.
- 3.28 In 2010/11 the new Allocations Scheme exceeded expectations. The incentive not to apply as homeless clearly influenced the choices made by many housing applicants. In the first year of implementation, homeless acceptances fell by 36% from 838 to 537 and fell again to just over 400 in the following two years.

**Table 1 – Showing reduction in homeless acceptances from 2010.**

Year	09/10	10/11	11/12	12/13	13/14	14/15	15/16
Homeless acceptances	838	537	404	406	557	558	522

- 3.29 In 2010 the number of lettings to the homeless (943) were approximately the same as housing register applicants (994). After the introduction of the new Allocations Scheme, there was a substantial fall in lettings to the homeless and lettings to housing register applicants increased accordingly. (Table 2)

**Table 2 All lets by category since 09/10**

Year	09/10	10/11	11/12	12/13	13/14	14/15	15/16
Homeless	943	606	358	408	336	277	466
Hsg Reg	994	1,025	1,408	1,194	882	922	1,025
Transfers	746	621	937	833	689	674	690

- 3.30 **Rise in Homeless demand** – However, homeless acceptances rose from 406 in 2012/13 to 557 in 2013/14, a 37% rise. Acceptances remained at this higher level in 2014/15 (558) and 2015/16 (522). (Table 1)
- 3.31 The reason for the increase in homeless acceptances from 2013/14 is mainly due to private rented sector changes such as rising rent levels, increased competition and a rise in homeless applications due to loss of a private sector tenancy. It has

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also become more difficult for the Housing Service to procure private rented sector options to prevent homelessness.

- 3.32 However, the number of homeless applications from households living in insecure accommodation with friends or family remains relatively low. This indicates that the original objectives of the Allocations Scheme implemented in 2010 are being maintained.
- 3.33 Any loss of confidence in their rehousing chances on the part of this large group of applicants could generate an increase in homeless applications from them. This combined with increased homeless demand because of the deteriorating position in the private rented sector could push the level of homeless acceptances well above the present trend of over 500 a year.
- 3.34 **Temporary Accommodation** – Over the last four years there has been increasing difficulty in sourcing suitable temporary accommodation due to rising rents in the private sector and greater competition for resources. One consequence was a substantial rise in B & B usage with a large number exceeding the six-week legal limit during 2015/16.
- 3.35 At present 90% of private rented sector procurement for temporary accommodation is out of Borough. There has also been an increase in use of expensive B & B (costing the Council an average of £11,000 per placement pa) and nightly paid private sector accommodation (£6,500 pa) due to reduced supply of lower cost private leased accommodation.
- 3.36 Nightly paid accommodation currently comprises 31% of all self-contained private rented sector temporary accommodation used, compared with 24% in May 2015.

### **Tackling increased homeless demand and limited supply of temporary accommodation**

- 3.37 New Homeless lettings quota - in March 2015 Members agreed to give delegated authority to the Corporate Director (D & R) to set a quota for homeless lettings to increase the number being rehoused in order to release units of temporary accommodation and bring the length of stay in B & B back within legal limits.
- 3.38 A quota was applied in 2015/16 resulting in 466 lettings to the homeless, a 68% increase on the 277 lettings in 2014/15. This helped bring the B & B numbers back under control and towards legal compliance.
- 3.39 Although the increased number of homeless lettings in 2015/16 made an impact on the problem, the higher level of homeless acceptances and difficulties in procuring suitable temporary accommodation are likely to continue. In these circumstances it will be necessary to maintain the same homeless quota during 2016/17.
- 3.40 With a finite supply of property each year the increase in lettings to homeless households through use of the quota reduces the lettings available to overcrowded

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Housing Register applicants in Band 2 although at present they remain significantly higher than the proportion of lets to the homeless even with use of the quota.

- 3.41 However, it will be important to monitor the situation carefully to avoid any loss of confidence in their rehousing prospects on the part of overcrowded housing register applicants living with friends or family. The Allocations scheme has successfully held down homeless applications from this group since 2010. Giving a new preference date (thus losing previously accrued waiting time) to homeless applicants previously is a main factor in achieving this. The other important factor is that by doing so, rehousing prospects are much better for overcrowded households than should they apply as homeless. Maintaining the high level of lettings to this group is of course dependent upon maintaining a relatively lower number of homeless acceptances.

### **Proposed reduction in Band 3 Quota**

- 3.42 Applicants not in housing need are placed in Band 3 of the Allocation Scheme. From 2010 a quota of 5% of lettings was earmarked for these applicants. This was to provide an opportunity for rehousing for private sector tenants who wanted to move to more secure accommodation and to offer some 'like-for-like' transfers for tenants of Common Housing Register partner landlords.
- 3.43 Members decided to increase the quota from 5% to 10% for 2014/15 in order to make up for the previous year's underperformance. This resulted in 163 lettings for Band 3 applicants compared with 277 homeless households in 2014/15.
- 3.44 In the March 2015 Cabinet report, members were asked to agree a return to a 5% quota for Band 3 applicants for 2015/16. However members decided to retain the 10% quota. This resulted in 194 lettings to Band 3 applicants in 2015/16 consisting of 38 two and three bed properties and 156 one bed & studios.
- 3.45 This relatively high number of lettings to applicants not in housing need took place during a period when the number of homeless acceptances had risen significantly. The costs to the Council of accommodating homeless households have risen exponentially because temporary accommodation housing benefit subsidy has been frozen since 2011. Housing Benefit subsidy shortfall and discretionary housing payments to benefit-capped households in temporary accommodation has cost the Council between £5.5million and £7.5million PA in the last three years. Given the pressures of higher levels of homeless demand and difficulties in securing suitable temporary accommodation Members are asked to agree to reduce the quota to 5% of 1 bed & studio properties per annum only.
- 3.46 In the public consultation, 84% of respondents agreed it was either very important or important to give priority for housing to those in housing need. However in relation to the proposal to reduce the Band 3 quota to 5% of 1 beds/studios only 30.6 % of respondents agreed and 48% disagreed.

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### **Alternative use of housing stock**

- 3.47 As outlined above there is a pressing need for affordable temporary accommodation for homeless households in the borough. At present 50% of new placements and 90% of new supply consisting mainly of expensive nightly paid annexes (£6,500 pa) are outside the borough.
- 3.48 Empty properties from regeneration schemes are an important source of temporary accommodation as non secure tenancies (NST's). In June 2016 there were 252 NST's (158 Council and 94 RP). This is 11 fewer than June 2015.
- 3.49 All the Council NST's and 50% of RP NST's are due for return over the next 2 or 3 years. Some of these will be replaced by existing and new regeneration schemes but it is unlikely there will be sufficient to produce any overall increase in supply of these properties for temporary accommodation.
- 3.50 In response to the pressing need for affordable temporary accommodation in the borough Members are asked to give delegated authority to set targets each year for a number of general needs properties to be used for NST's in addition to the regeneration scheme properties already in use. A target of 100 units per annum including 50% of Right to Buy buy backs is proposed, the target to be reviewed annually.
- 3.51 Utilising social housing properties would enable affordable rents to be charged would reduce the Council's management costs and the costs of general fund subsidy for homeless households. This proposal would also reduce reliance on expensive B & B (£11,000 pa per household) and nightly paid annexes (£6,500 pa per household). In addition NST's are exempt from the Right to Buy and the annual 1% rent reduction.
- 3.52 It is proposed that suitable properties for NST's would be the least popular, for example, higher floors in blocks or where a property is not let on the first bidding cycle.
- 3.53 Reducing the Band 3 quota to 5% of 1 beds & studios if applied to lettings in 2015/16 would have released 38 two and three bed properties and 100 one beds or studios for alternative uses.
- 3.54 Given the high proportion of 1 beds/studios released from reduction in the Band 3 quota, and the high demand for temporary accommodation from small families, it is likely that the majority of properties used as NST's would be 1 bed/studios.

### **Discharge of homelessness duty into Private Rented Sector AST**

- 3.55 From 2012 the Council had the power to discharge duty to a homeless household by offering a minimum 12 months suitable and affordable assured shorthold tenancy (AST) in the private rented sector, known as a Private Rented Sector Offer (PRSO). The Council exercised this power up until November 2014 and by doing so ceased a duty to over 70 households.

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- 3.56 Following concerns expressed by Overview & Scrutiny and the former Mayor it was agreed to suspend the use of this power unless the applicant agreed to accept an AST. Since then ending the homeless duty by a private rented sector offer has happened on only two occasions.
- 3.57 On present trends it is unlikely that the private rented sector is likely to provide many options to discharge the homeless duty in this way. But there are occasions when the housing service might be able to discharge duty to a homeless case by making a suitable private rented sector offer. Members are asked to agree to re-instate this power which would be an additional tool in the armoury needed to respond to the challenges of meeting its statutory duty to homeless households.
- 3.58 The Council can only discharge its homelessness duty where the offer of accommodation is suitable and it would be reasonable for the household to occupy the property. This means all PRSOs (as with all final offers of accommodation to homeless households) must be affordable, the right size, in a suitable location with due regards to the employment, health care, education and social needs of the household. The Housing Options service determined that a PRSO would only be made where an Assured Short-hold Tenancy of at least 2 years was offered with the rent set at or below Local Housing Allowance. In almost all cases the properties offered were within the Borough and included properties which had received Empty Homes Grant from the Council, a condition of which is to offer the property for a minimum of five years to the Housing Options Service at or below Local Housing Allowance.

### Lettings Plan 2016/17

- 3.59 Targets are set annually for Band 1B Priority Target Groups. Last year's targets, demand and performance against targets for 2015/16 are set out below.

Priority Target Group	Target	Demand @ 1 <sup>st</sup> April 16	Lets 14/15	Lets 15/16
Intensive Community Care and Support Scheme	35	9	32	25
Key Workers	15	6	9	16
Supported Housing Move ON Scheme/HOST referrals	75	13	55	38
Applicants Leaving Care	No Target	6	21	14
Sons & Daughters of CHR partner landlords	No Target	12	10	16
Armed Forces Personnel	No Target	0	0	0
Foster Carers	No Target	0	0	1
Retiring from tied Housing	No Target	0	3	0
Waiting List Decant	No Target	7	17	17
<b>Totals</b>			<b>147</b>	<b>127</b>
<b>Band 3 Lets</b>	10%		163	190
3 bed size			8	6

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Priority Target Group	Target	Demand @ 1 <sup>st</sup> April 16	Lets 14/15	Lets 15/16
2 bed size			31	32
Bedsit/1 bed size			124	152

- 3.60 Cabinet is asked to consider and agree targets for the Priority Target Groups for 2016/17 and for these targets to be continued for 2017/18. This is because this report will be decided upon 5 months before the start of 2017/18. It is unlikely amendments to the targets will be required for 2017/18 and it would be efficient to agree to extend the targets now rather than return to Cabinet early in 2017/18.

Priority Target Group	Current Target	Proposed Target
Intensive Community Care and Support Scheme Referrals	35	35
Key Workers	15	15
Supported Housing Move On Scheme/HOST Referrals	75	75
Applicants Leaving Care	No Target	
Sons & Daughters of CHR partner landlords	No Target	
Armed Forces Personnel	No Target	
Foster Carers	No Target	
Retiring from tied Housing	No Target	
Waiting List Decant	No Target	
Totals	125	125
Band 3 Lets	Current Target	Proposed Target
	10% of 1 bed/studio, 2 and 3 beds	5% of 1 bed/studio only

#### Comments on the target groups

- 3.61 **Intensive Community Care and Support Scheme** – In 2015/16 24 applicants were rehoused against a target set of 35. Last year's report referred to keeping the target number above known demand figures to accommodate the likelihood of increase in applications from applicants with learning disability. It is proposed that the higher target is retained for 2016/17 for the same reason. Meeting this demand as it arises will create opportunities for applicants in supported accommodation to live independently and will create vacancies for new applicants in need of support.
- 3.62 **Key Workers** - In 2015/16 16 key workers were rehoused against a target of 15. Last year Cabinet decided this category should be restricted to applicants living in Tower Hamlets that met the residential criteria in the Allocations Scheme. It is proposed that the target of 15 is retained for 2016/17.



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- 3.63 The professions that qualify for assistance in the Allocations Scheme are: fire fighters & police officers stationed in the borough; NHS nurses working in the borough; paramedics and teachers working in the borough's LEA maintained schools.
- 3.64 Members are asked to agree that social workers should be added to the qualifying professions in the Allocations Scheme. This is due to a request from Social Services because they are unable to attract experienced social workers from outside London due to the high cost of accommodation in London. Therefore, the 3 years residency rule to join the housing list should be relaxed for this priority target group to allow experienced workers to be recruited and retained.
- 3.65 **HOST Team Referrals (Supported Housing Move on Scheme)** - In 2015/16 38 applicants were rehoused and there were 23 waiting rehousing. Last year it was reported that greater use is being made of private sector accommodation which has led to a reduction in demand for lettings for this group. The need for social housing for some applicants will remain in order to create vacancies for new residents in need of support. As in recent years, the target has not been met but it is not proposed to reduce the target because demand is likely to increase due to Welfare Reform changes and the Council's difficulties in securing suitable private accommodation. If sufficient cases are not identified available properties will be offered as general lets
- 3.66 **Applicants Leaving Care** - In 2015/16 14 applicants were rehoused and 6 are awaiting rehousing. No target is proposed, as these applicants will be rehoused as required.
- 3.67 **Sons & Daughters of CHR tenants** - In 2015/16 16 applicants were rehoused under the severe overcrowding provisions in the Allocations Scheme where medical priority was awarded to a household member. There are 12 cases awaiting rehousing. It is not proposed to set a target as rehousing these cases on demand is in line with the Council's strategy to reduce overcrowding.
- 3.68 **Foster Carers** – In 2015/16 one applicant was rehoused. There are none waiting rehousing. No target is proposed as those who qualify are accepted as being in urgent need of rehousing.
- 3.69 **Retiring from Tied Housing** - There were no cases rehoused in 2015/16 and none are awaiting rehousing. No target is proposed as in these cases there is usually a contractual obligation to offer a rehousing from tied accommodation on retirement.
- 3.70 **Waiting List Decant** - In 2015/16 17 households were rehoused and 8 are waiting rehousing. Applicants qualify when they are living with a tenant in accommodation due to be decanted. No target is proposed as qualifying applicants are offered rehousing as required.

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- 3.71 **Band 3 Quota** - It is proposed to amend the quota to 5% of 1 bed / studios properties in order to free up resources for overcrowded and homeless households.

### **Implementation of proposals**

- 3.72 Subject to member agreeing the recommendations, proposals that are not IT dependent can be implemented immediately. However some changes will be IT dependent and development work will be required to configure the system accordingly, for example the proposal to create a new sub – band (2B) in Band 2. It is anticipated that those changes that require IT development can be implemented within 3 to 6 months.

## **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 This report seeks approval for various amendments to be made to the Council's Housing Allocations Scheme in order to reflect recent changes in legislation and also to address particular issues that have arisen in relation to homeless applicants.
- 4.2 The main financial implications of the report concern the costs of temporary accommodation. As a result of the combination of the increasing numbers of applications to the homelessness section, the scarcity of available temporary accommodation and the high levels of rent charged to the Council, significant budgetary pressures are being faced. This particularly affects the Housing Benefits budget where pressures arise from both the impact of welfare reform and the effect that high rents have on the Benefits Subsidy received by the Council.
- 4.3 Although the Council has a statutory duty to pay benefits, the level of subsidy that is recouped from the DWP is capped. The proposals in this report, in particular the recommendation that targets are set for a specific number of properties to be made available to be let as non-secure tenancies, should help to mitigate some of these costs by reducing the number of homeless applicants that need to be placed in the more expensive bed and breakfast accommodation (paragraphs 3.50 to 3.54).
- 4.4 Any costs involved in the implementation of the amended policy will be met from within existing resources. This will include any changes that may be necessary to the lettings IT systems (paragraph 3.72).
- 4.5 The cost pressures arising in the Housing Benefits budget will be closely monitored and addressed as part of the budget process for 2017/18.

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### **5. LEGAL COMMENTS**

#### **Recommendations 1 & 2**

- 5.1 The Council is required to comply with the requirements of Part VI of the Housing Act 1996 when allocating housing accommodation. Section 166A of the Housing Act requires the Council to have a scheme for determining priorities and the procedures to be followed in allocating housing accommodation. The Council is required to allocate housing in accordance with the allocation scheme.
- 5.2 Section 166A of the Housing Act 1996 specifies a number of matters that the allocation scheme must contain. In particular, the scheme must secure that a reasonable preference is given to the following categories people with urgent housing needs –
- People who are homeless
  - People to whom the Council owes a homelessness duty under the Housing Act 1996
  - People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions
  - People who need to move on medical or welfare grounds
  - People who would suffer hardship if they were prevented from moving to a particular locality in Tower Hamlets.
- 5.3 Section 160ZA(7) of the Housing Act 1996, provides that local authorities may decide who does or does not qualify for an allocation of social housing. This is subject to regulations made by the Secretary of State. The Allocation of Housing (Qualification Criteria for Right to Move) (England) Regulations 2015 came into effect on the 20 April 2015 and provide that local authorities must not disqualify certain persons from social housing on the basis that they do not have a local connection with the authority's area.
- 5.4 The Regulations prevent an authority from applying a local connection test to existing social tenants seeking to transfer from another local authority area if they :
- have reasonable preference under section 166(3)(e) Housing Act 1996 because of a need to move to the local authority's area to avoid hardship, and
  - need to move because the tenant works in the district, or
  - need to move to take up an offer of work and if they were unable to do so, it would cause them hardship and that the tenant needs rather than wishes to move for work related reasons.
- 5.5 There is a significant risk of legal challenge to the Council's current scheme if it is not amended to include a sub band for applicants who meet the reasonable preference criteria but do not meet the 3 year residence requirement. It should be noted that the current exceptional circumstances exemption will not prevent a legal challenge against the Council. As set out in this report, the authority has a duty to comply with the regulations and minimise the risk of a legal challenge. In the cases

## **APPENDIX 3**

of *Jakimaviciute v LB Hammersmith & Fulham* [2014] and *R (HA) v L B Ealing* [2015] the local authorities were unsuccessful in legal challenges relating to policies that either excluded certain categories of person or for reduced the defined 'reasonable preference' classes

- 5.6 When considering whether to adopt the proposed amendments to the scheme, the authority should consider the impacts of those criteria or requirements. This is to ensure that the persons in urgent housing need continue to receive 'reasonable preference' and that any policies adopted do not result in harsh and unexpected impacts. In making these amendments, the Council must consider the public sector equality duty to have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not. An equality impact screening has been carried out and the Service Head Strategy, Regeneration & Sustainability has confirmed that the nature of the proposals and the limited impact on any of the protected characteristics as defined by the Equality Act 2010 means that a full impact assessment is not required. A copy of the equality impact screening is set out at Appendix 1.
- 5.7 Section 166A of the Housing Act 1996 requires the Council to consult registered providers of social housing and registered social landlords before making an alteration to the allocations scheme reflecting a major change in policy. The proposed change is considered to be a refinement of the existing policy, rather than a major change.

### **Recommendation 3**

- 5.8 The report proposes to restrict the policy that allows applicants to bid for smaller properties than their assessed bedroom need and allow room sharing where children of the opposite sex are under 10 years of age. This is permissible having regard to the bedroom standard and is specifically contemplated in the *Allocation of accommodation: guidance for local housing authorities in England*. It does mean, however that the household may become overcrowded when the children reach the age of 10.

### **Recommendation 4**

- 5.9 The report proposes to amend the quota for Band 3 lets from 10% of one, two and three bedroom properties to 5% of 1 bed & studios per annum this is in accordance with the Lettings Plan. See recommendation 6 for further details.

### **Recommendation 5**

- 5.10 The Council has a duty under the Housing Act 1996 to secure that accommodation is available for eligible homeless applicants. When the Council receives an application for housing assistance under Part VII of the Housing Act 1996, it has a duty to assess the applicant's circumstances to decide what help, if any they are entitled to.

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5.11 The Council is required, as far as is reasonably practicable, to secure accommodation in its own borough (Housing Act 1996, section 208(1)). The clear intention is that local authorities should not simply decant homeless persons into areas for which other authorities are responsible for. However, the High Court has made clear that in areas of acute affordable housing shortage a local authority may decide that it is not reasonably practicable to accommodate people in its area. The Council can use its own housing stock to secure temporary accommodation under Part 7 in performance of its homeless duties. Such offers of accommodation will not create a secure or introductory tenancy (Housing Act 1985, Sch1, para4). How the housing stock is let is possibly a matter of housing management. However the small number of properties that it are to be let means that the proposal is unlikely to substantially affect 'secure tenants' so as to trigger the consultation requirements of S105 Housing Act 1985.

5.12 In line with its homelessness statement and tenancy strategy, the Council must take steps to deal with the increased demand for housing by homeless persons and to provide more affordable temporary accommodation. The proposed changes to the Allocations Scheme detailed in the body of the report should enable the Council to achieve this and comply with its statutory duties to homeless persons under Part 6 of the Housing Act 1996. Further the Council has a duty to ensure continuous improvement in the way its functions are exercised having regard to a combination of economy, efficiency and effectiveness. The measures proposed within this report will assist the Council in meeting this duty.

### **Recommendation 6**

5.13 It is consistent with the Council's statutory housing functions and its own allocations scheme for the Council to consider and adopt a Lettings Plan. The proposed Letting Plan has been prepared having regard to the housing demand in the borough and the lettings made in 2014/2015 and 2015/2016. It provides a means of ensuring that the Council effectively gives reasonable preference and additional preference to prescribed persons under the Allocation Scheme and in accordance with the Housing Act 1996. Consistent with the public sector equality duty the Lettings Plan needs to be subjected to a proportionate level of equality analysis.

### **Recommendation 7**

5.14 The report proposes to add social worker to the professions that qualify for key worker status. The Scheme allows a local authority to define the classes of qualifying individuals as a result this is permissible.

### **Recommendation 8**

5.15 Further, the report proposes that the authority discharges its homeless duty by offering private rented sector accommodation. Section 193 of the Housing Act 1996 sets out the duties to those housing applicants that the local housing authority are satisfied are eligible, homeless, in priority need and not intentionally homeless.

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- 5.16 Once a housing duty has been accepted, the housing authority is obliged to provide housing assistance. Sections 148 and 149 of the Localism Act 2011 amended section 193 of the Housing Act 1996 by introducing a power that allows the Council to make Private Rented Sector (PRS) offers to end the main homelessness duty. The Homelessness (Suitability of Accommodation) (England) Order 2012 requires the Council to consider a number of factors to ensure that the PRS offer of accommodation is suitable.

### **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The policy changes should allow for housing resources to better directed at housing applicants and homeless households in greatest need in the borough. It will also assist in providing suitable temporary accommodation in the borough for up to 100 households which will reduce costs to the Council.
- 6.2 The proposals have been subject to equality analysis as outlined in the attached checklist in Appendix 1. It is not considered that there will be any adverse impacts, or that further analysis will be required.

### **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 The proposals in this report contain recommendations to re-direct some housing resources from applicants in a lower priority band (3) towards applicants in higher priority Bands (1) and (2). The proposals also include a recommendation to use a limited amount of permanent housing supply each year for temporary accommodation for the homeless. These proposals are aimed at making best use of these resources in line with the priorities set out in the Allocations Scheme, to support meeting the Council's statutory duties towards homeless households and reducing costs of temporary accommodation where possible.

### **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 8.1 No environmental implications or impacts have been identified.

### **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 The Council has statutory duties towards homeless households that includes provision of temporary accommodation at considerable cost to the Council. These proposals will help to maintain control over demand from the homeless and provide some additional temporary accommodation at lower cost in the borough.

### **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 10.1 No contribution identified.

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### **11. SAFEGUARDING IMPLICATIONS**

11.1 No safeguarding risks or benefits from the proposals have been identified.

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#### **Linked Reports, Appendices and Background Documents**

##### **Appendices**

- Appendix 1 - Equality Analysis Quality Assurance Checklist
- Appendix 2 – Tower Hamlets Common Housing Register Allocations Scheme

##### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- None

##### **Officer contact details for documents:**

Or state N/A