

Cabinet 5 April 2016	 TOWER HAMLETS
Report of: Aman Dalvi – Corporate Director, Development and Renewal	Classification: Unrestricted
Overcrowding and Under Occupation Plan 2016 - 18	

Lead Member	Councillor Sirajul Islam, Statutory Deputy Mayor and Cabinet Member for Housing Management and Performance
Originating Officer(s)	Martin Ling
Wards affected	All Wards
Key Decision?	Yes
Community Plan Theme	A Great Place to Live

1.0 **EXECUTIVE SUMMARY**

- 1.1 The 2013 - 2015 Overcrowding and Under Occupation statement was approved by Cabinet in July 2013. It was produced in conjunction with the THHF Common Housing Register Group which has been responsible for monitoring the plan.
- 1.2 The existing Overcrowding and Under Occupation statement has three broad aims, which brought together a number of initiatives with real outcomes in terms of reducing and preventing overcrowding in the Borough.

The three strategic aims for tackling and reducing overcrowding are;

- Reduce overcrowding in existing housing stock, and put in place preventative measures to reduce future overcrowding
- Continue to increase the overall supply of housing for local people including a range of affordable, family housing
- Prevent overcrowding and homelessness by providing access to the right housing options at the right time including a set of measures designed to reduce under occupation.

- 1.3 The Actions were grouped into four specific areas:

- Property based actions
- Lettings based actions
- Advice and partnership based actions
- Under Occupation based actions.

- 1.4 It is proposed to update and refresh the current statement, rebranding it as a plan and retaining effective actions, removing actions which are no longer relevant and adding new items which will assist in achieving the Council's objectives. The refreshed plan has been reviewed with the Tower Hamlets Housing Federation (THHF) Executive and THHF Common Housing Register Group.
- 1.5 The renewed plan will be incorporated into the new Housing Strategy which will be produced for Mayoral approval in the autumn of 2016 following a wider consultation on a range of strategic housing issues.

2.0 RECOMMENDATIONS

2.1 The Mayor in Cabinet is recommended to:

Approve the refreshed version of the current Overcrowding and Under-Occupation plan as set out at Appendix B

3.0 REASONS FOR THE DECISIONS

- 3.1 The key reason for the approval and implementation of a refreshed Overcrowding and Under –Occupation plan is that the actions, agreed and delivered with partners will go some way to alleviating overcrowding in the borough and improve the wellbeing of those households who have their housing circumstances improved

4.0 ALTERNATIVE OPTIONS

- 4.1 The alternative option is to not approve a plan and allow partners to tackle overcrowding in an uncoordinated and individual manner.

5.0 BACKGROUND

- 5.1 The Council in partnership with its Registered Provider partners has been working to reduce overcrowding and encourage under occupying tenants to consider downsizing through an action plan for the past 6 years. The first strategy was ratified and adopted by the Council at Cabinet in October 2009. Subsequently, the Tower Hamlets Housing Forum Common Housing Register sub group helped to develop and monitor the action plan associated with the strategy between 2009 and 2012 which was then updated into the Overcrowding and Under Occupation Statement in 2013.
- 5.2 As at December 2015, within the current action plan, 15 actions had been either achieved or progressed and 3 not taken forward. The three that have not been taken forward are as follows:
- Keep under review the ability to create mobility of tenure through social homebuy (cash incentive scheme) - This scheme no longer exists.
 - Improve living conditions for overcrowded households in the Private Sector (grants programme) and bring empty properties back into use - although a Private Sector Housing Policy was adopted in July 2013, due to the limitations on resource availability, there was insufficient

funding to make grants available to overcrowded owner occupiers. It was therefore not included as part of the policy which was finally adopted by the Council.

- Review sub-regional nominations agreements to maximise housing for local residents - The East London Housing Partnership sub-regional nominations agreement has been abolished and has been replaced by the Greater London Authority Housing Moves and Pan London New Build Top Slicing Scheme from 2015-16.

5.3 Since the introduction of the specific action plan to reduce overcrowding, the most notable contributing factor has been the reduction in overcrowding due to the implementation of the revised 2010 lettings policy which gave higher priority than previously to overcrowded households. This change has seen lets to overcrowded households increase from 33% in 2007/8 to a high of 61% in 2011/12. This proportion has levelled out at around 50% over the last 2 years as illustrated in the following table:

Year	Total Lets	Overcrowding Lets	%
2006/7	1,981	656	33%
2007/8	1,627	541	33%
2008/9	2,142	771	36%
2009/10	2,608	1,054	40%
2010/11	2,194	979	45%
2011/12	2,679	1,642	61%
2012/13	2,439	1,425	59%
2013/14	1,907	889	47%
2014/15	1,872	949	51%

5.4 Since 2009, over 7,000 residents have been rehoused from overcrowded conditions and around 800 under occupiers assisted into more suitable accommodation.

5.5 Despite this progress, overcrowding still remains one of the biggest challenges that the Council faces. As set out below, over 7,000 households in the borough still require more bedrooms than they currently have.

Number of Households by beds lacking (As at 1st December 2015)	1 bed	2 beds	3 beds	4 beds	5 beds	Total
Total	5,749	1,140	123	11	1	7,024

However this is a significant reduction since 2013 when the following figures were reported:

Number of Households by beds lacking (As at April 2013)	1 bed	2 beds	3 beds	4 beds	5 beds	Total
Total	7,499	1,471	816	71	1	9,106

6.0 2016-18 OVERCROWDING AND UNDER-OCCUPATION PLAN

6.1 The Council is working on a number of policy areas that will be taken to Cabinet for approval as part of an overarching Housing Strategy in the autumn of 2016. This will include a review of the Lettings Scheme and the Homelessness Statement, revisions to the Tenancy Strategy and the Older Persons Housing Statement and an updated Private Sector Renewal Statement. It is therefore proposed that the refreshed Overcrowding and Under-Occupation document will also be revised and presented as an individual Plan.

6.2 Consultation

The areas that will have the most impact on the Council's ability to reduce overcrowding are:

- the operation of the priority banding within the allocations scheme which gives a Band B preference to overcrowded households;
- the operation of fixed term tenancies through a revised Tenancy Strategy, (as proposed through an amendment to the 2015 Housing and Planning Bill) which could result in larger homes being let more frequently if introduced;
- provision of larger homes through the requirements in the Local Plan.

All these policy areas are covered through statutory duties and will be subject to specific and detailed consultations in 2016/17.

It was therefore agreed not to carry out a separate consultation on the Overcrowding and Under Occupation plan at this stage but to recommend adoption based on current policies in these areas in order to give a clear steer to partners in the Borough who have assisted in the development and monitoring of the plan through the Tower Hamlets Housing Forum.

However, it will be recognised within the plan that these consultations will take place and are likely to impact further at a later stage.

The outcome of these consultations will be incorporated into a revised plan and presented within the revised Housing Strategy in autumn 2016 as appropriate.

6.3 2015 Housing and Planning Bill

The 2015 Housing and Planning Bill did not contain any specific provisions to assist Local Authorities in tackling overcrowding. However the emphasis on delivering new homes for home ownership and the introduction of Right to Buy

for Housing Association tenants funded by the sale of high value Council homes could impact on the supply of new larger affordable homes. In addition, an amendment to the Bill requiring the mandatory use of fixed term tenancies for all new tenants could release some larger homes in the long term.

6.4 Resource issues

It should be noted that the Council's ability to continue to tackle overcrowding will be impacted upon by the reduction in resources available. The current GLA funded programme only runs until 2018 and recent spending announcements by Government have placed an emphasis on funding towards home ownership initiatives. The Council does however have its own Right to Buy receipts funded programmes and will continue to work closely with Registered Providers to identify how larger affordable housing in line with current Local Plan requirements can continue to be delivered.

6.5 Welfare Reform

The further measures of welfare reform will continue to have an impact on housing need. The introduction of Universal Credit and in particular the Benefit cap being reduced to £23k per year per household from October 2016 will continue to increase pressure on the Council, particularly from households in the private sector or in temporary accommodation. In addition, larger homes developed at affordable rent will become increasingly unaffordable to households which are dependent on benefits once the welfare cap is introduced.

The spare room subsidy (also known as the bedroom tax) was introduced by the previous government and reduces Housing Benefit available to households who are under occupying their property. As at December 2015, 2,106 LBTH households were affected, 1,590 are Registered Provider tenants and 516 are Tower Hamlets Homes tenants. Of these 324 were in receipt of Discretionary Housing Payments (DHP) (15%). Those applying for DHP payments are now encouraged to join the Common Housing Register and apply for a more suitable home which can better meet their needs and free up a larger property for another household.

6.6 Reducing under occupation

It has long been identified that encouraging tenants who are under occupying their properties to move into smaller suitable properties can assist in providing homes for overcrowded households. 139 under occupying households were rehoused in 2014/15. There are currently over 1,300 households registered as under occupied on the Common Housing Register and a number of actions have been identified in conjunction with the Tower Hamlets Housing Forum to assist and incentivise under occupiers to consider downsizing. These actions are included in the Overcrowding and Under -Occupation plan. The CHR sub group has agreed to work towards a minimum of 600 under occupying moves over the next 4 years.

6.7 Development and monitoring of the plan

The 2013/15 Overcrowding and Under Occupation Statement was subject to a consultation with partners. The statement was monitored by the Tower Hamlets Housing Forum Common Housing Register sub group. The sub group has been involved in the development of the refreshed Overcrowding and Under Occupation plan and will continue to work on identifying new initiatives to tackle overcrowding.

6.8 Mayor of London – London Housing Strategy

The Mayor of London has highlighted the tackling of overcrowding as a key area in his London Housing Strategy. The GLA has agreed to share good practice from across London with all boroughs in order to tackle overcrowding.

6.9 Draft Action Plan

Attached at Appendix A is an outline of the proposed draft action plan. It includes:

- Actions brought forward from the 2013/15 Overcrowding and Under Occupation Statement
- New actions identified in conjunction with the THHF CHR sub group
- Actions to reduce under occupation identified in conjunction with the THHF CHR sub group.

The Actions have been grouped into four specific areas:

- Property based actions
- Lettings based actions
- Advice and partnership based actions
- Under occupation based actions

The refreshed Overcrowding and Under Occupation plan is set out at Appendix B.

7.0 **COMMENTS OF THE CHIEF FINANCIAL OFFICER**

7.1 This report provides an update on the Council's 'Overcrowding and Under Occupation Statement 2013-15' and seeks to refresh the statement and adopt it as an Overcrowding and Under Occupation plan for the three year period from 2016 to 2018.

7.2 The plan is one of a suite of documents which along with those relating to Homelessness, Older Persons, Private Sector Renewal, and the revised Lettings scheme and Tenancy strategy will be among the key policies that feed into the Council's Housing Strategy which will be considered by Cabinet in the autumn.

- 7.3 The objectives contained within the various policies and statements set out a range of activities and priorities for the Council and key partners that will provide a clear focus for ensuring that available resources are targeted to and in line with these needs.
- 7.4 The financial consequences of the plan will be subject to the availability of funding, and further reports will assess the financial impact of individual proposals as appropriate. Delivery of the plan will continue to be extremely challenging in the current economic climate, and will require a co-ordinated approach and aligning of funding from all major partners. It will also require that best value for money is obtained from limited sources of external funding, given that the Council's mainstream resources to support the plan are extremely limited.
- 7.5 Over recent months, various Government initiatives have been announced which will have a major impact on the provision of social housing. These include the implications of the 2015 Housing and Planning Bill and the updates to Welfare Reform proposals, which are outlined in paragraphs 6.3 and 6.5 of this report. In the case of the Housing and Planning Bill, the proposed legislation is still being considered by Parliament so the detail of the policies is not available. As further information is released, the implications for the Council and its partners will need to be assessed and incorporated into the various elements of the Housing Strategy.
- 7.6 The costs of preparation of the 'Overcrowding and Under Occupation plan' will be met from within existing revenue resources.

8.0 LEGAL COMMENTS

- 8.1 The Council is a local housing authority under the Housing Act 1985. The Council is required by section 8 of the 1985 Act and section 3 of the Housing Act 2004 to review housing conditions in Tower Hamlets. Pursuant to section 9 of the Housing Act 1985, the Council may provide housing accommodation by acquiring or erecting houses. The Tower Hamlets Community Plan makes the provision of quality, affordable housing a key objective.
- 8.2 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. The scheme must secure that reasonable preference is given to people in overcrowded housing, along with other categories of people in urgent housing need and may also give them additional preference. The Council's allocation scheme reflects these requirements.
- 8.3 Section 179 of the Housing Act 1996 requires the Council to provide free advice and assistance in Tower Hamlets about homelessness and the prevention of homelessness. It is reasonable, generally, for the Council to seek to prevent homelessness, having regard to its obligations under Part

VII of the Housing Act 1996 to provide accommodation to homeless persons and the resources available to it to meet housing needs.

8.4 Having regard to the Council's housing functions, it is consistent with good administration for the Council to adopt a statement targeted at reducing overcrowding. The actions specified in the action plan in Appendix B appear capable of being carried out within the Council's statutory functions. It is understood that the Overcrowding and Under Occupation plan is not the housing strategy, which is referenced in the Council's budget and policy framework.

8.4 Before adopting the Overcrowding and Under Occupation plan and action plan, 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 is contained in section 8 of the report and Appendix C relevant to these considerations.

9.0 ONE TOWER HAMLETS CONSIDERATIONS

9.1 An Equality Assessment has been carried out on the Overcrowding and Under Occupation plan and is attached as Appendix C. Overcrowding can impact on all sections of the community and the statement provides an opportunity to take forward a number of initiatives to meet this need and assist in community cohesion between groups across the Council.

10.0 BEST VALUE (BV) IMPLICATIONS

The proposals set out in this document align with the Council's Best Value Duty. The Overcrowding and Under Occupation Plan aim to ensure the Council's homes are used to house people in most need without additional resource implications.

11.0 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

The Overcrowding and Under Occupation Plan has no specific implications for sustainable actions for a greener environment.

12.0 RISK MANAGEMENT IMPLICATIONS

12.1 The proposals set out in this report do not carry any specific risks for the Council. Each action is separately monitored and subject to local risk management conditions by either the Council or its partners.

13.0 CRIME AND DISORDER REDUCTION IMPLICATIONS

13.1 Not applicable.

14.0 SAFEGUARDING IMPLICATIONS

14.1 Not applicable.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1: Draft Actions for the 2016/18 Overcrowding and Under-Occupation Plan
- Appendix 2: 2016/18 Overcrowding and Under Occupation Plan
- Appendix 3: Equality Impact Assessment

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

NONE

APPENDIX 1

Draft Actions for the 2015/18 Overcrowding and Under Occupation Plan

Set out below are the draft actions for the 2015 /18 Plan with commentary on whether they are either retained or new actions

1. Property Based Actions		
	Item	Comment
1.1	New Build Development Programme - Increasing housing supply across all tenures (Market, Intermediate and Social).	Retained from 20013/15 Statement. Note reduction in grant for programme.
1.2	In liaison with Planning Control continue to secure larger family sized units on all s106 and new affordable housing schemes.	Retained from 2013/15 Statement
1.3	Council Housing Build Programme and contribution towards RP programmes through planning policy, partnership funding and land	Retained from 2013/15 Statement subject to funding being allocated
1.4	Improve the quality of life for tenants through improvements to existing homes of overcrowded tenants.	Retained from 2013/15 Statement and innovate approach to home visits as appropriate.
1.5	Continue with the knock through and extensions to make it more effective and increase the number of knock-throughs	2013/15 Statement. A review of the programme will be held in 2016/17
1.6	Improve living conditions for overcrowded households in the Private Sector. (Grants programme)	Retain from the 2013/15 Statement.
1.7	Develop Project 120 by finding the best solution for each of the 120 applicants on the housing register requiring wheelchair accommodation. Many of these households are also overcrowded.	Retain from the 2013/15 Statement
2. Lettings Based Actions		
	Item	Comment
2.1	Implement new Lettings Policy to ensure it provides the flexibility & priority required to support the Overcrowding and Occupation Statement.	Retain from the 2013/15 Statement

2.2	Continue to promote the revised sons & daughters scheme through an allocated quota group	Retain from the 2013/15 Statement
2.3	Review sub-regional nominations agreement to maximise housing for local residents.	Replaced by GLA Housing moves schemes
2.4	Review Tenancy Strategy	New action: Tenancy Strategy will have to be reviewed and fixed term tenancies introduced if made a statutory requirement under the 2015 Housing and Planning Bill
2.5	Review succession policy	New action: Current tenancy agreement enables 2 successions. This will be reviewed as part of the Tenancy Strategy review to see it remains the best provision for residents

3. Partnership and Advice Based Actions

	Item	Comment
3.1	Get all Registered Providers in the Borough to sign up to the Common Housing Register Forum.	Retained from 2013/15 Statement
3.2	Provide an excellent Housing Advice & Options Service to residents of the borough.	Retained from 2013/15 Statement Provision in the enhanced housing options scheme will be reflected in action plan
3.3	Carry out Home Visits to under occupied and overcrowded households.	Retained from 2013/15 Statement and monitor both Council and RP visits.
3.4	Keep under review the ability to create mobility of tenure through social homebuy (cash incentive scheme).	Removed as scheme is no longer available.
3.5	Develop a Low Cost Home Ownership service as an improvement to the Housing Options service offered by the Council.	Retained from 2013/15 Strategy but presented within 3.2 excellent Housing Advice and Options service.

4. Under Occupation Based Targets

	Item	Comment
4.1	Implement Project 500 to target the top 500 under occupiers and	Retained from 2013/15 Statement

	focus on bespoke packages to meet their needs.	
4.2	Enable Registered Providers to keep voids freed up by under occupiers to offer to their urgent transfer cases.	Retained from 2013/15 Statement
4.3	Explore the feasibility of identifying and ring fencing desirable properties to meet the needs of under occupiers.	Retained from 2013/15 Statement
4.4	Package a set of practical incentives up to the value of £2,000 in order to encourage under occupiers to consider moving.	Retained from 2013/15 Statement – Incentives to include: <ul style="list-style-type: none"> • Access for driver for the move • Re-direction of mail • Pay travelling costs to view new property • Handyperson service or gardener for day, if over 60 • Clear any arrears or have a rent free period • Disconnections/ reconnections • New curtains or blinds purchased • Help with bidding for homes