



## Overcrowding and Under-Occupancy Strategy

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### Purpose

Our Overcrowding and Under-Occupancy strategy sets out the actions we will take to ensure that, as far as possible, our current and future customers have a home suited to their household circumstances.

### Background

The regulatory framework issued by the Homes and Communities Agency sets out the following requirement in relation to overcrowding and under occupation.

*"Registered providers shall develop and deliver services to address under-occupation and overcrowding in their homes, within the resources available to them. These services should be focused on the needs of their tenants, and will offer choices to them." (Tenancy Standard 2.1.2)*

In April 2013 the Government introduced the 'removal of the spare room subsidy' (RSRS) or 'Bedroom Tax'. This established that a tenant in social housing would incur a reduction in their Housing Benefit (HB) entitlement where they were deemed to have a 'spare' bedroom(s). The equivalent criteria will apply to the housing-costs element of Universal Credit (UC). The rules state that:

- Each person aged 16 or over requires their own bedroom (unless they are living together as a couple)
- Two children of the same gender should share a bedroom until their 16<sup>th</sup> birthday.
- Two children of different genders should share a bedroom until their 10<sup>th</sup> birthday.

The RSRS only applies to tenants below Pension Credit age, which is currently 63 and is rising in line with the women's state pension age until equalisation with men is achieved in 2018. State pension age for everyone will be increased to 66 by 2020, so more people will be subject to the size criteria.

The regulations make no provision for adults with shared care of their children, where the child will be allocated a bedroom in accordance with which parent receives the child benefit.

Where a claimant is under-occupying accommodation by 1 bedroom, HB is reduced by 14%. There is a 25% reduction for those under-occupying by 2 bedrooms. For EPIC customers a 14% reduction in rent equates to around £10 per week.

## **Objectives**

The objectives of this strategy are:

1. To allocate homes to new customers which meet their needs according to family size and circumstances, whilst taking into account the Government's spare room size criteria.
2. To reduce the levels of under-occupancy in our housing stock.
3. To prioritise transfer applications for existing customers who need to move to either smaller or larger accommodation as a result of their family circumstances.

## **Definition**

We have adopted the Government's 'bedroom standard' to define whether a property is under-occupied or overcrowded. This is a fairer definition than the technical legal definition of overcrowding which has a very high threshold.

## **Where are we now?**

### **• Under-occupancy**

We have been proactive in amending our Allocations Policy so as not to create new tenancies that result in under-occupancy. Any new tenancies that would result in an under-occupation penalty under the new rules have to be approved as an exception by the Chief Executive.

In terms of existing customers, our records show that as at April 2017, we had 117 customers aged 63 or under who were under-occupying a property. The number has reduced from the 159 in April 2014 and we monitor each case on a regular basis.

We need to be mindful of employed tenants who have a 'spare' bedroom and who subsequently become unemployed and need to claim HB/UC. HB regulations provide protection for customers in this situation for 13 weeks, as long as they have not previously claimed HB in the last year. During this grace period, we will need to agree with customers the steps they should take if they are unsuccessful in finding another job. It is important to note that there is no equivalent protection for those claiming UC.

Where an existing member of a household dies, which then causes an under-occupancy situation, under HB the previous entitlement is protected for up to 1 year. Under UC the entitlement runs on for 3 months and then changes to reflect the new circumstances. In both of these situations we would need to liaise with the customer and agree a long-term solution for the payment of the rent.

### **• Overcrowding**

We do not knowingly create tenancies that would result in a property being overcrowded. We need to be aware where shared childcare is involved of the number of children that will be staying at a property overnight or at weekends, so as not to cause a problem with overcrowding. It might be necessary for children to stay for different nights during the week, where two or more children are staying regularly in a 1 bedroom property.

We already provide priority for our existing customers who wish to transfer to a house due to a growing family. We plan to acquire at least 48 houses during the year 2017-18, as set out in our Business Plan. Our Allocations Policy provides criteria for considering our existing customers for these properties ahead of new applicants for larger homes. We have published details of this priority scheme in customer newsletters and on our website.

## **Where do we want to get to?**

Ideally we want to be in a position where every customer has a home that is suited to their needs. However we have to be realistic in that we do not have the available stock to transfer

every under-occupying household to a smaller property and that a number of people will (and do) not wish to contemplate moving from their current home.

To the best of our knowledge and records, we do not experience a significant problem with overcrowding in our properties. Where an overcrowding situation exists, this is generally remedied by the customer applying for a transfer to a larger property, or by lodgers, family or friends living with one of our customers, making an application for housing in their own right.

In considering our response to under-occupancy and overcrowding, we have previously considered policies and practices of other social landlords. Upon carrying out a recent 'Google search' for "Overcrowding Policy" / "Underoccupancy Policy" and also a check of some of our local peers' website, the findings were minimal. In general, readily-available information was found on websites of large local authorities. The few relevant documents found included those from Hyde Housing Group, Moat Housing Association, Basildon Council and Peabody & Gallions Housing Association. It should also be noted here that, in three of these cases, the policies appeared to be out of date.

### **Assisting our customers:**

#### **• Under-Occupancy**

In 2013 we conducted a programme of visits to customers due to be affected by the RSRS, in order to explain options (e.g. downsizing, mutual exchange) and make a rent payment agreement. We subsequently assisted around 15 tenants in transferring to smaller properties, by awarding them 'reasonable preference' (based on the date of their tenancy commencement) and awarding each a grant of £300, to assist with the costs of moving. Tenants who have continued to under-occupy since have generally been reluctant to downsize and, in most cases, have proceeded to pay the ensuing rent shortfall.

Although we no longer grant any monetary assistance, as stated in our current Allocations Policy, we continue to offer reasonable preference as outlined above, provided the current home is in good condition and there are no tenancy breaches. Where the property is in poor condition and/or there are tenancy breaches, permission to transfer may be given subject to an exception report approved by the Chief Executive, although no reasonable preference is given also.

#### **• Special arrangements for existing customers above Pension Credit age**

Although the RSRS does not apply to tenants over Pension Credit age, we know some of these households are currently under-occupying the property and may need to move to more suitable accommodation as a result of health or mobility issues. Where an existing customer needs to transfer to a ground-floor flat, as a result of a health or mobility issue, reasonable preference will be given to their application when supported by a letter from a medical practitioner.

In view of the expected shortage of 1-bedroom accommodation arising as a result of the wider welfare reforms, customers over Pension Credit age will be entitled to transfer to a 2-bedroom flat, whether the household is a single person or a couple. As 2-bedroom flats become available more quickly than 1 bedroom properties, this should result in a faster rehousing time.

#### **• Overcrowding**

We will continue to promote our house purchase scheme to existing customers, advising them that priority is given to customers who need a larger home. Where housing officers become aware of an overcrowding situation in our homes, they will agree appropriate actions to reduce the overcrowding with the customer. Potential solutions could be:

- Applying for a transfer
- Part of the household applying for accommodation directly with EPIC
- Applying for a mutual exchange for a larger property

- **Rent to Buy**

As part of helping new and existing customers to find a home that meets their particular needs, and also to diversify our housing offer, we are introducing a 'Rent to Buy' scheme. This will involve customers indicating an intention to purchase a suitable property, renting the premises for 5 years at an 'affordable rent', whilst making arrangements to save for a deposit during this period.

- **Working with other social housing providers**

We have tried to work strategically with other housing providers to address the issue of under occupation in North Staffordshire, however there does not appear to be much of an appetite to develop a formal mechanism to assist with this.

## **Conclusion**

We review our wider Allocations Policy on a regular basis. As part of this we will continue to assess our responses to overcrowding and under-occupancy, along with the ongoing welfare reform agenda. The key aim here is to assist our customers as far as possible, whilst also protecting our income stream.