

Releasing Larger Social Rented Homes in the South East:

Meeting the needs of older people and families



A Report for the Regional Housing Board by the Regional Housing Forum

Releasing Larger Social Rented Homes in the South East: Meeting the Needs of Older People and Families

1. Introduction

- 1.1 Older people (those aged over 60) are becoming an increasingly important sector of the population. The proportion of over 60's in the South East is projected to increase by 58% between 2006 and 2031¹. The fastest rate of population growth (129%) will be among people aged 85 and over. Meeting the housing needs of older people in an appropriate way and managing the impact on communities of this demographic change represent additional pressures on a region already facing a shortfall of affordable housing.
- 1.2 The Regional Housing Board wishes to ensure that the needs of this rapidly growing group are considered in future investment advice to Government while continuing to give priority to providing affordable homes for families in need of three or more bedrooms. The Regional Housing Strategy explained that the needs of families are not being met adequately, and set a target that 25% of social rented homes funded between 2008 and 2011 should have three or more bedrooms.
- 1.3 The Board's overriding priority for public investment in housing is the provision of new affordable homes. However, in the face of the growing demographic pressures the effective use of the existing affordable housing stock is increasingly important. It is appropriate to consider what synergies exist between social rented homes occupied by older people with at least one spare bedroom and the housing needs of families.
- 1.4 With the support of the Regional Housing Forum, the Regional Assembly established a task group in August 2008 to investigate the current use and potential of financial incentive schemes and key aspects of good practice that could be adopted more widely to assist older tenants in social rented housing who are 'under-occupying' and release larger homes for family occupation.

2. Policy context and evidence

- 2.1 Evidence and national policy objectives demonstrate the potential benefits of incentive schemes for older people, overcrowded and homeless families and wider benefits in relation to sustainable communities.
- 2.2 It is estimated that in the South East almost twice as many social rented homes are under-occupied as are overcrowded, suggesting considerable potential for larger social rented homes to be used more effectively². An estimated 49,000 households in the South East are under-occupying a social rented property with three or more bedrooms, with the potential for this figure to increase considerably as the population of older people increases.

¹ The Ageing Population in the South East, South East England Regional Assembly, October 2008

² Survey of English Housing Overcrowding and under-occupation by tenure 2005/06 to 2007/08 (3year average), CLG

- 2.3 Of 25,000 tenants of social rented homes in the region estimated to be overcrowded³, 20,000 need properties with three or more bedrooms.
- 2.4 Stimulating movement in the social rented sector could also have a positive impact on homelessness. At 31 December 2008, 5,050 households in the South East were living in temporary accommodation after having been accepted as homeless or pending investigation of their application⁴. Data is not collected on a regional basis of the number of those households waiting for larger homes but, nationally, 74% of households in temporary accommodation included dependent children. This suggests that a substantial number of South East households would be eligible for a three-bedroom home.
- 2.5 A Government action plan⁵ sets out actions that local authorities are expected to take to reduce overcrowding. These include:
- Giving greater priority in allocations policies to households who are 'under-occupying' larger accommodation
 - Offering cash incentives to those who are under-occupying to encourage them to move.
- 2.6 Lifetime Homes Lifetime Neighbourhoods, the national strategy for housing an ageing society places emphasis on enabling people to live independently for as long as possible with support or care services provided in the home. However, the strategy recognises the importance of offering greater housing choice for those who wish to move and the provision of specialised housing for older people where required.
- 2.7 In Ends and Means: The Future Roles of Social Housing in England⁶ Professor John Hills provides evidence of progressive social and financial polarisation between market and social housing. Social tenants are more likely to be older, disabled, from a black or minority ethnic (BME) background, on a low income or unemployed.
- 2.8 The report analyses the contribution social housing can make to the sustainability of communities, suggesting that the effects of polarisation could be reduced by focusing on the existing stock. One approach to increasing the mix of household sizes and ages in a community is to assist those older under-occupying tenants who wish to move to smaller homes, releasing family homes for younger, larger households in housing need.
- 2.9 Reliable regional data on levels of overcrowding and underoccupation in the social rented sector is not readily available but population projections, the Survey of English Housing and homelessness statistics combined with the findings of the Ends and Means report suggest that the proportion of older tenants in the social rented sector is greater than in the general population and will continue to grow, producing a pool of under-occupied homes capable

³ Survey of English Housing Overcrowding by region and tenure, England, 2005/06 to 2007/08 (3 year moving average), CLG. This data is based on a sample survey in which a very small number of households in the South East are likely to have been surveyed. It should therefore be regarded as broadly indicative rather than as an accurate count.

⁴ Statutory Homelessness, 4th quarter 2008, England, CLG

⁵ Tackling Overcrowding in England: an Action Plan, CLG, December 2007

⁶ Ends and Means: The Future Roles of Social Housing in England, Professor John Hills, LSE, February 2008

of satisfying the current needs of larger families living in the sector and larger homeless households. There is therefore merit in exploring the scope for development of initiatives that can benefit both older people and family households.

3. Incentive schemes in the South East

Current practice

- 3.1 For many years social landlords have offered financial incentives to their older tenants to enable them to move to smaller accommodation.
- 3.2 Twenty nine housing organisations operating in the South East (nine local housing authorities and 20 housing associations) responded in autumn 2008 to the Regional Assembly's invitation to complete a web-based questionnaire. This sought to identify current policies, practice and features relating to incentive schemes and barriers and solutions to their introduction or expansion. Annex 1 gives a complete list of questions.
- 3.3 The response level does not permit a complete picture of regional practice to be presented but enabled the common themes and factors described below to be identified. A summary of responses appears at Annex 2.
- 3.4 Nineteen respondents operate an incentive scheme, nine of which provide a level of practical support and assistance through the moving process. The local authority which assisted the largest number of tenants in 2007/08 sees this as a strategic housing responsibility, linking the scheme to affordable housing development and employing staff specifically to administer it.
- 3.5 Typical features of incentive schemes in the South East include:
 - Payments to tenants to meet the cost of removals and/or compensate for loss of space – either a lump sum or an amount per bedroom given up
 - Provision for payments to be reduced to repay rent arrears and the cost of repairs for which the tenant is liable.
- 3.6 No single type of housing organisation appears to take a consistent approach to identifying or managing under-occupation. This illustrates the complexity of developing consistent policies for all social tenants in a single local authority area and may in part explain why incentive schemes do not figure more prominently in local housing policies.
- 3.7 Some organisations have little knowledge of how their housing stock is occupied, thereby limiting their ability to assess the potential for an incentive scheme.
- 3.8 The numbers of households assisted through schemes in 2007/08 varied considerably: 10 of the 19 schemes assisted 10 or fewer households while the two most successful schemes assisted 52 and 73 households respectively.
- 3.9 Overall, the responses give the impression of relatively small scale, reactive incentive schemes which are not actively promoted and are regarded as a

useful operational tool rather than an element of a more strategic approach to meeting housing need. Evidence of their potential or effectiveness is seldom collected and so is not used to influence organisational priorities or improve services.

Spatial differences across the region

- 3.10 The number of questionnaire responses does not allow conclusions to be drawn about the use or effectiveness of incentive schemes in specific parts of the South East. However, the fact that the two schemes with an assistance rate of above 50 households are similar (both urban local authorities with large social rented housing stock and active housing development programmes) may indicate the type of area where schemes have greatest potential.
- 3.11 The task group noted that where Choice-Based Lettings⁷ (CBL) schemes exist and explicitly include under-occupation as a category attracting high priority, more interest in downsizing can be generated.
- 3.12 Concern has been expressed that local authorities may not be able to give sufficient priority to under-occupation transfers because these are not defined as grounds for awarding 'reasonable preference'⁸ in allocations policies. However, a recent House of Lords judgement⁹ found that it was lawful for the London Borough of Newham's policy to include under-occupiers in a group receiving 25% of tenancy offers direct from the council rather than through the CBL scheme.
- 3.12 The amount and range of social rented housing available tends to be much more restricted in rural areas. When established support networks exist in rural areas, existing tenants will want and need to move within their home village or community. For these older tenants to benefit when rare opportunities arise to move locally, it is essential that allocations and CBL schemes award the highest level of priority to under-occupation transfers.

4. Costs of incentive schemes

- 4.1 Consideration at a local level of costs relating to scheme set-up and operation, publicity, vacant property ('void') rates and payments to tenants can enable landlords to weigh up the costs and benefits of an incentive scheme.
- 4.2 As a scheme becomes established, additional costs will be incurred due to increased void rates and take-up of incentives. Examples are given below of typical ranges of costs applying in the South East.
- 4.3 Revenue costs arising from increased void rates vary considerably around the region. Rent loss of between £175 and £675 per property vacated could be

⁷ Choice Based Lettings is system where one or multiple social landlords' vacant properties are advertised and prospective tenants to bid for the tenancy. The tenancy is offered to the bidder with the highest priority on the housing register.

⁸ S167(2) Housing Act 1996

⁹ R (on application of Ahmad) v. London Borough of Newham, 4 March 2009, <http://www.bailii.org/uk/cases/UKHL/2009/14.html>

- expected based on average void periods of 20 – 55 days per property for local authority landlords¹⁰ and average rents of £58 - £84 per week (rounded figures).
- 4.4 However, an incentive scheme may raise awareness of harder-to-let sheltered accommodation, generating increased lettings to produce more rent income which can offset some of the potential rent loss from voids.
- 4.5 The cost of maintenance to bring the home to a lettable standard should also be budgeted for. Void maintenance costs can range from £1,400 - £3,770 per property¹¹. It is usual practice to charge tenants for the cost of carrying out repairs in a vacated property for which they are responsible. The majority of landlords recover this cost from the incentive scheme payment thereby offsetting some of the repair costs which might otherwise act as a barrier to moving for an older person on a low income.
- 4.6 Schemes vary in the generosity and complexity of payments to tenants, ranging from a £1,500 lump sum plus actual removal costs to over £7,500 for someone moving from a 5-bedroom house to a studio flat.
- 4.7 Taking the most extreme scenario, if the highest rates of rent loss, void costs and payments to tenants were all to apply in the same area, a maximum of £12,000 would be required to release one family home. Even at this level, where suitable accommodation is available for the onward move, this figure compares favourably with other ways of providing accommodation for homeless and overcrowded families.

5. Benefits of incentive schemes

- 5.1 For schemes to be introduced or expanded, housing organisations will need to be confident that they are financially viable and aligned with business objectives. For Local Authorities there is likely to be a clear link with their strategic responsibility for assessing and meeting housing need. Housing Associations may be less likely to perceive any direct benefit to their tenants or business objectives that would justify investment.
- 5.2 The first consideration must be the benefits to older tenants of moving from the family home. These are generally recognised as: improved health and wellbeing, increased social contact (through improved access to local amenities or communal facilities within a sheltered or extra care scheme) and reduced living expenses (for example due to the new home having a more affordable, modern heating system). These benefits could change over time as all social rented homes are maintained to a decent standard and national policy moves towards the provision of care and support in the existing home. However residents could still benefit from greater social contact and from the cost savings of heating a smaller home. If the prospective new home does not provide these benefits there is no good reason for the tenant to consider moving.

¹⁰ Business Plan Statistical Appendix 2007/08, CLG

¹¹ Average costs reported by task group members representing social landlords

- 5.3 The challenges residents face and the way they can be helped through an incentive scheme are illustrated in case studies of the different approaches taken by Brighton and Hove Council and Sovereign Housing Association.

Brighton and Hove Council's Homemove scheme

Tenant A is a single, older person and full time wheelchair user who had been in hospital for 18 months following a fall. She was delayed being discharged from hospital and unable to return to her three bedroom house because of her mobility problems. Tenant A was registered on the Homemove scheme but had never bid before being visited by the Under Occupation Officer who was able to go through housing options with her and link her priority need to a new build scheme, which included a number of fully wheelchair accessible homes in her neighbourhood, Bevendean. Tenant A thought the property would suit her perfectly, keeping her close to her daughter and granddaughter for support. The Under Occupation Officer was able to support Tenant A through the bidding process. She was successful in her bid, viewed the property and accepted the tenancy and therefore released a large family sized house.

Tenant B was living in a large three bedroom house. He had found the size of the house difficult to cope with since his wife had died and his physical health was affecting his mobility. The Under Occupation Officer visited him in May, providing housing advice and support and as a result Tenant B's priority need to move was assessed. He successfully bid on a newly built RSL one bedroom flat in exactly the location he wished to move to. The Under Occupation Officer accompanied Tenant B on the viewing; he accepted the offer and moved into his new accommodation at Denmark Road in early August.

Tenant C was finding it extremely hard to cope alone in her three bedroom house since the death of her husband but wanted to stay in the area she was living in. The Under Occupation Officer visited in early June helping her to complete her housing application, medical priority self assessment form and to register on the Transfer Incentive Scheme. The Under Occupation Officer kept in contact supporting Tenant C through choosing properties she was eligible for and selecting any she wanted to bid on. Tenant C successfully bid on a one bedroom flat very close to home, on the road next to where she lived. Tenant C moved into her new property in August. She was very impressed with how quickly the move took place and wrote a thank you letter saying she was, "delighted with the flat" and that the "whole deal took just over four weeks. Many, many thanks".

Sovereign Housing Association's personalised approach

Sovereign Housing Association used a personalised incentive scheme to help tenants interested in moving to the award-winning Carnavon Place, a scheme for over-55's in Newbury. Incentives tailored to the requirements of the individual resident have proved to be a cost-effective way of overcoming barriers to moving which residents perceived insurmountable. The incentive could be as simple as covering the cost of a telephone connection charge or could be more comprehensive, paying for replacement carpets and removals.

Lorraine, Sovereign's Resident Liaison Officer arranged home visits with tenants registered on the internal transfer list who were over 55 and had at least one spare bedroom.

The home visits enabled resident's wishes to be checked and a virtual tour of Carnarvon Place to be given while all the features and benefits of the scheme were explained.

In Mrs X's case, she began by saying she didn't want to move yet but had put her name on the transfer list in case her mobility deteriorated in future. Lorraine explained that she would be able to live independently at Carnarvon Place but that support or aid/adaptations could be put in place when and if required. Mrs X was attracted to the security that Carnarvon Place offered but was concerned about disconnection and reconnection of kitchen appliances including her dishwasher. Lorraine explained that this could be arranged for her. This overcame Mrs X's concern and was the only incentive she needed to move to Carnarvon Place.

This was a very successful move – Mrs X is very happy and content in her new home and released a very well maintained 3 bed family home for Sovereign to let to a family.

- 5.4 Advantages to older tenants may not be sufficient for housing organisations to justify investment in downsizing incentives. The initial policy decision will be strongly influenced by whether a scheme offers a financially attractive alternative to other approaches to meeting housing need.

Reduced homelessness costs

- 5.5 An increased supply of vacant family homes enables more rapid rehousing of homeless households, reducing both time spent in temporary accommodation and the cost to the community. This is of strategic importance to local authorities and has a part to play in discussions regarding partnerships and financial contributions to incentive schemes and more comprehensive area-based strategies.
- 5.6 Looking at annual net expenditure on temporary accommodation, savings equivalent to £50,000 per year per authority could be achieved if use of temporary accommodation could be eliminated by the availability of permanent tenancies of larger homes. In 2007/08¹² an average of £49,751 per South East local authority was spent on providing temporary accommodation, the equivalent of £390.55 per household assisted. Eight local authorities in the region spent in excess of £1000 per household assisted.
- 5.7 Looking at costs per household accepted as homeless, a case study of temporary accommodation costs in Oxford shows that for an average length of stay of two years and one month in private sector leased accommodation, rent of £27,756¹³ was payable by the tenant with support from housing benefit (HB) where appropriate.¹⁴ Use of private sector leasing varies around the region but for those authorities that use it, costs in the region of £15,000 per household are not uncommon. For households claiming HB a move into a permanent social tenancy will continue to place a demand on HB but at lower rents than for temporary accommodation and hence at reduced cost to public funds.

Relieving overcrowding

¹² CIPFA returns 2007/08

¹³ This is in line with Local Housing Allowance rents for 3 bedroom houses in Oxford

¹⁴ Average cost for average length of stay for household moving to a permanent tenancy in 2007/08

- 5.8 Incentive schemes can provide a cost-effective addition to 'bricks and mortar' solutions to satisfying the housing needs of overcrowded households. Programmes of extensions and loft conversions undertaken by social landlords to provide more space in existing homes can prove costly and disruptive while work is in progress. Extensions do perform a valuable role, in particular for the largest families for whom sufficiently large homes rarely become available.
- 5.9 Extensions and conversions require considerable capital commitment on the part of the landlord as the relatively small increase in rent that social landlords are able to charge for the increased size of home does not cover the construction costs. Recent experience indicates that this approach requires investment of upwards of £25,000 per property:
- For Thames Valley Housing Association, costs range from approx £25,000 for a loft conversion undertaken as part of a larger refurbishment project to £30,000 for a one-off loft conversion.
 - Drum Housing Association in partnership with East Hampshire District Council undertook a pilot project in 2008 to provide four-bedroom homes in a rural area of proven need by building five one-bedroom, ground floor extensions at an average price per extension £30,730¹⁵.
- 5.10 A wider range of community, social and organisational benefits accrue from action to assist down-sizing and relieve overcrowding:
- Improved health and wellbeing of older people and previously overcrowded households
 - Increased potential use of local services and amenities including schools, health centres and shops by new families moving into a neighbourhood
 - The opportunity to improve the condition of the stock by undertaking repairs which might otherwise go unreported
 - An opportunity to improve services to tenants and satisfaction levels.
- 5.11 These wider benefits can be linked to the delivery of broader strategic objectives of the organisations involved, in particular in contributing to LAA2¹⁶ targets in each locality. This will depend on the National Indicators selected for each LAA2 but typical themes include:
- Educational attainment of children, particularly those living in overcrowded conditions in deprived areas
 - Health and social inclusion targets for children, families and older people
 - Reduced mortality rates for older people
 - Reductions in the use of temporary accommodation
 - Contributions to providing more affordable housing.

6. Learning from good practice

¹⁵ including VAT at 17.5%

¹⁶ Local Area Agreement 2

- 6.1 Despite publication of Government guidance on managing under-occupation in 2001¹⁷, the South East appears to have made little progress in moving from small scale schemes based on financial incentives to wider strategies to tackle under-occupation: The guidance emphasises the importance of a strategic approach to generate a supply of homes attractive to older people and of 'handholding' to ease the moving process. This involves sustained personal support in identifying options, applying to move, accompanied viewings, sensitive assistance with the practicalities of moving such as fitting of curtains and carpets and disposal of furniture and personal effects for which there will not be space in the new home. This type of support is provided by fewer than half of the questionnaire respondents who operate an incentive scheme.
- 6.2 The Government funded a small number of pilot schemes in London in 2007¹⁸ to trial a range of approaches to tackling overcrowding, three of which focused on strengthening under-occupation schemes through area-based or sub-regional approaches, use of a dedicated officer, handholding and enhanced payments to tenants.
- 6.3 The South East London sub-regional pilot employed a dedicated officer to identify under-occupying tenants and match them with desirable smaller properties from a pool provided by the local housing associations. According to latest information received in May 2009, the pilot has a waiting list of over 100 households registered to move.
- 6.4 Two London schemes successfully increased the number of family homes released by over 70 per year through giving greater priority, enhanced grants and dedicated support.
- 6.5 The size of financial incentive appears to be less important. Boroughs in South West London offer between £1500 and £2500 per bedroom given up while the South East London scheme offers £200 cash payment per bedroom released in addition to removal, reconnection and similar costs as required. Feedback from the scheme administrators suggests that the questions of the right property and personal support are more effective than cash payments.
- 6.6 Good practice guidance, the London experience and questionnaire responses concur in suggesting that under-occupation schemes incorporating the key elements of dedicated funding, personal support and having the right property to offer can effectively assist older people and families. The increase in activity achieved in the London pilot areas in particular suggests that the injection of external funding is an important factor in initiating activity and generating success. There appears to be scope in the South East for incentive schemes to develop into more strategic approaches to under-occupation although funding this type of activity will be subject to organisational priorities.

¹⁷ Managing under-occupation – a guide to good practice in social housing, DETR, April 2001

¹⁸ Tackling Overcrowding in England: Lessons from the London pilot schemes and sub-regional coordination, CLG, June 2008

7. Barriers to releasing larger homes

- 7.1 There was a large measure of agreement among questionnaire respondents that key barriers to introducing or expanding schemes are:
- Lack of suitable accommodation to offer
 - Value attached by tenants to a spare room, garden or locality
 - Cost considerations.
- 7.2 Respondents reported an inadequate stock of suitable and attractive homes. This was particularly true if a 'spare' bedroom was permitted as this would place older people in competition with smaller families for properties of the same size.
- 7.3 Tenants were reported to be resistant to giving up space inside the home or a garden and very selective about the areas to which they were prepared to move. The cost of rent and service charges in sheltered accommodation can be higher than the rent charged for an independent tenancy, acting as a deterrent to moving for tenants ineligible for HB.
- 7.4 Financial concerns expressed in questionnaire responses relate mainly to the cost of running a scheme and paying incentives. Only one landlord cited the level of incentive payments as inadequate and a barrier to tenants taking up the scheme.
- 7.5 The task group identified other barriers, many of which relate to local arrangements between housing associations and local authority partners.
- 7.6 Absence of adequate data represented a particularly clear barrier with only ten of 29 respondents collecting data on the number and location of under-occupied homes. Stock transfer associations may have lost their data-gathering capability when separating from the local authority and hence lack awareness of the need or potential to release larger homes.
- 7.7 Some housing associations are currently unable to take an active role in encouraging mobility as they do not maintain a transfer list and offer all vacant properties to local authority nominees. Associations in this situation will not perceive a scheme as beneficial unless they wish to resolve transfer pressures for overcrowded families within their stock.
- 7.8 Eight of the 9 associations which are part of larger regional or national organisations have no scheme. The task group recognised the difficulties faced by housing associations in introducing an under-occupation scheme capable of responding to differing policies and priorities across a number of local authority areas.
- 7.9 Tenant perceptions can also be a barrier. Use of the terms such as 'under-occupation' and 'downsizing' were reported as giving tenants the impression that they were expected to give up their home and could engender fears of being forced to move.

8. Overcoming Barriers to Releasing Larger Homes

- 8.1 An incentive scheme or under-occupation strategy will not be right for every organisation or for every tenant. As Drum Housing Association found when undertaking a residents' survey, it is important to be realistic about the potential of work to encourage down-sizing - not everyone who is under-occupying will be prepared to move to a smaller property, however generous the package of incentives¹⁹.
- 8.2 However, questionnaire respondents and the task group identified a number of approaches to overcome barriers.
- 8.3 When considering whether there is a need to introduce or expand a scheme, the availability of robust, up to date data should be the starting point. A general tenant profiling exercise enabling comparison of household and property size may be more effective than a tailored under-occupation survey to which tenants may be more cautious about responding. Data obtained can be used to establish a programme of home visits to ascertain the preferences of individual tenants.
- 8.4 Where no survey or profiling data is available, transfer lists and CBL databases can act as a source of information regarding tenants who have already expressed an interest in moving. In sub-regional CBL schemes it will be important for individual landlords to be able to interrogate the database to identify the number and location of their own under-occupying tenants.
- 8.5 Wealden Council has developed an action plan using surveys of council and RSL tenants and data mapping of under-occupation and overcrowding as the basis for a more strategic multi-landlord and cross-boundary approach to these issues.
- 8.6 A strategic approach by local authorities, linking under-occupation to the housing development programme will enable a pipeline of homes to be designed and developed with the needs and aspirations of older people in mind. Public consultation on strategic housing priorities can be an opportunity to seek older residents' preferences in terms of new accommodation. This needs to be backed up by a well designed strategic approach with high priority throughout the council including allocations policies and lettings schemes.
- 8.7 Enabling tenants to move into the private rented sector can offer greater choice in areas of limited social stock. The incentive payment can be used as a deposit. Reduced security of tenure is likely to be a concern and is an area where professional advice and support for the tenant is required.
- 8.8 The current recession offers opportunities such as the promotion of new homes being converted from shared ownership to social rent as an option for downsizers. Attractive features include a higher design specification and the provision of kitchen appliances.
- 8.9 Appointment of a dedicated staff member for the incentive scheme enables provision of a proactive, personalised and sensitive service to tenants from first contact to moving and beyond. Alternatively, it may be possible to work

¹⁹ www.drumhsg.co.uk

- in partnership with voluntary agencies to provide hand-holding support. It is important to ensure prompt payment of the incentive in a way that is convenient for the tenant.
- 8.10 Sensitivity is also necessary in the way the scheme is publicised and promoted. Publicity material should be professionally presented to focus on the positive aspects of moving, rather than vulnerability. While it will be important to provide information on eligibility and what the tenant can expect to receive as an incentive payment, the focus should be on the longer term benefits to the individual, preferably using local case studies to which the reader can relate.
 - 8.11 Adoption of an area-based scheme, through which all social landlords in a local authority area or CBL sub-region work in partnership to deliver a commonly agreed scheme, can introduce improved consistency of offer to tenants. A single scheme to assist all social tenants in an area is less confusing for tenants and easier to promote; a wider pool of people can be reached through multiple housing, health and social care outlets. This requires a strong strategic local authority lead. Depending upon the authority's financial position it may be possible to give a lead by making resources available to partner housing associations. This will be increasingly challenging in the current financial climate but a partnership approach has the added benefit of enabling survey, data and staff costs to be shared.
 - 8.12 Even where a good evidence base and business case are in place, tightening budgets do not create an environment in which it is easy to access funds for an incentive scheme. External funding may therefore be necessary for data collection to gather evidence or for a pilot scheme to evaluate the strategic contribution that an incentive scheme can make.
 - 8.13 Possible funding sources will depend on council priorities but could include Council Tax paid on second homes and un-ring-fenced Disabled Facilities Grant. Consideration could also be given to making provision in legal agreements for an incentive scheme to be financed from commuted sums for affordable housing received from developers under s106 agreements.
 - 8.14 Surrey Supporting People Commissioning Body has recently agreed to commission a pilot Housing Options for Older People project that takes a multi-tenure approach with the potential to release family homes: the service will offer intensive advice and support to help older people living in all tenures to know what options are open to them and supporting them in what they want to do, whether that is staying put, or moving elsewhere.
 - 8.15 Rather than operating their own organisation-wide scheme, RSLs can adjust their practice to align with local schemes, contributing their expertise and good practice to scheme design.
 - 8.16 Cost control can be exercised through setting an annual target number of moves and monitoring progress through the year. Collection of data in relation to use of the scheme enables schemes to be developed further and improved in response to tenant feedback.
 - 8.17 Scheme awareness can also be enhanced by working with local authority social care and health partners to incorporate under-occupation in established referral systems.

9. Conclusions

- 9.1 Incentive schemes will not and should not be the sole means of meeting the need for larger social rented homes but have an important part to play alongside other measures.
- 9.2 Investigation to date suggests that there is considerable untapped potential in the South East to introduce incentive schemes and expand them into under-occupation strategies to deliver a range of benefits for housing organisations, tenants and communities. Questions remain as to the full potential of such an approach and the ability of schemes to be self-financing.
- 9.3 Costs compare favourably with other solutions to meeting the housing needs of larger households but organisations will need to look at local costs to assess the viability of a scheme.
- 9.4 The availability of good quality data is a pre-requisite for decision-making.
- 9.5 Local authority leadership and partnership working are essential to the establishment of a consistent, well-designed, area-based and multi-agency approach.
- 9.6 Scheme effectiveness can be increased by:
 - Creating links with the local development programme and allocation policy to ensure that new homes are provided which will be attractive to older people and for which they will have priority
 - Promoting the scheme in a customer-sensitive way
 - Taking a proactive approach to approaching and supporting older tenants
 - Using monitoring data to improve the scheme further.

10. Recommendations

- 10.1 In order to encourage the development of schemes to meet the needs of older people and to release larger homes it is recommended that:
- i. CLG/ GOSE encourage local authorities reviewing their CBL schemes to ensure that landlords can obtain data on the location and requirements of their older tenants seeking transfer
 - ii. Local authorities review occupation levels in the social stock when developing their strategic housing priorities
 - iii. Where evidence of under-occupation and suitable smaller accommodation are available, local authorities set up area-based incentive schemes incorporating the key features identified in this report and monitor and evaluate their scheme's ability to become self-financing
 - iv. Housing Associations are encouraged to support such local authorities by participating in the development and delivery of area-based rather than organisation-based incentive schemes
 - v. GOSE ensure the effective dissemination to local authorities of CLG advice on under-occupation in relation to 'reasonable preference' and allocation schemes
 - vi. CLG look at how local authorities are responding to greater freedom in the use of DFGs and the extent to which DGF funding is being used to assist older tenants to move to more suitable homes
 - vii. The South East England Strategy Unit consider the feasibility of monitoring progress in reducing under-occupation through annual monitoring of the South East Plan.

Releasing Larger Homes Task Group, Regional Housing Forum
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Annex 1

Releasing larger homes task group

Questionnaire for local authorities and housing associations

The South East Regional Housing Forum is supporting delivery of the Regional Housing Strategy by advising the Regional Housing Board on meeting the needs and aspirations of the ageing population. The outcome of this project will influence the future direction of the Regional Housing Strategy and is supported by all RHB partners including GOSE and the Housing Corporation.

One aspect of this work examines the extent to which assistance is available to older people who live in social rented homes and wish to move to smaller accommodation.

Local housing authorities and other social housing providers are invited to complete this questionnaire to provide an overview of current practice throughout the region. Where housing stock is managed by an ALMO, it would be appreciated if Heads of Housing could also forward this request to their ALMO.

Responses will be treated as confidential and will provide a basis for more detailed work to identify key elements of effective incentive schemes to release larger homes that can be used by housing organisations in developing their policies and procedures.

The questionnaire should take about ten minutes to complete. Please save the completed document and email to tinamorris@southeast-ra.gov.uk by Friday 31 October 2008.

For the purposes of this exercise, under-occupation should be defined as a household having at least one bedroom more than its assessed need within your allocations policy.

If you have any queries or difficulty in completing the questionnaire, please contact Cath Stubbings, Housing Policy Advisor at the South East England Regional Assembly. E mail catherinestubbings@southeast-ra.gov.uk Tel 01483 555216

Thank you for your support.

Section A- Type of organisation:

1. Is your organization
- a local housing authority (district council) (go to Q2)
 - a local housing authority (unitary council) (go to Q2)
 - a housing association (go to Q5)
 - an Arms Length Management Organisation (ALMO) (go to Q7)

Questions 2 – 4, for local authorities

2. Has your authority retained its housing stock? Yes

No

3. Does your authority maintain and operate its own housing register? Yes
 No

4. Describe the type of area you cover please select

Questions 5 and 6 for housing associations

5. Does your area of operation cover
 a single local authority area
 more than one local authority area
6. Is your association or group structure
please select

Section B – Understanding the housing stock

7. Do you collect data on the number and location of under-occupied social rented homes?
 Yes
 No
8. If yes, what proportion of the social rented stock is under-occupied?
please select
9. Is any shortfall of suitable stock proactively addressed in local housing strategy and affordable housing policy?
 Yes
 No

Section C – Incentive scheme policy

10. What level of priority does your organisation award to addressing the under-occupation of your housing stock?
 High
 Low
11. Does your organisation have an incentive scheme to assist under-occupying households who wish to move to smaller homes?
 Yes
 No
(If No, go to section E).

12. Is the scheme
please select

13. Which organisations contribute to funding?

- local authority only
- local authority and housing association partners
- social and health care
- Supporting People
- Primary Care Trust
- other (please state)

If other, please state

14. What determines the level of funding?

15. Number of households assisted in 2007/08

16. Target number of households to be assisted in 2008/09 (state number or no target)

17. Where does the scheme fit into your organisational structure?
please select

If other, please state

18. How does your scheme reflect links to local strategies (e.g. development, extra care) and partnerships with other organisations? (Please state)

19. Do you employ staff specifically to administer the scheme? Yes
 No

Section D - Scheme operation

20. What are the scheme's key features?
(Insert web link to your scheme leaflet or indicate if printed leaflet is available)

- payment per bedroom given up
- different levels of payment for different types of property
- removal-related expenses
- practical support and assistance through the process

- payments are reduced to repay rent arrears and rechargeable repairs
- other (please describe)

If other, please describe

21. Does the scheme allow a spare bedroom? Yes
 No
22. Is the scheme available to
 tenants downsizing into the private sector
 tenants downsizing to another social landlord
 tenants who occupy but no longer need adapted homes
23. What level of priority does releasing larger homes receive in your allocations policy and/or Choice Based Lettings Scheme?
please select
24. How is the scheme publicised? (Please state).
25. Do you maintain a profile of scheme users? Yes
 No
26. Do you collect feedback from scheme users? Yes
 No

Section E – Successes and Barriers

27. What barriers has your organisation identified when considering introducing or expanding an incentive scheme?
28. In your experience what are the key success factors for an incentive scheme?

Section F – Follow-up information

Thank you for completing this questionnaire. It is anticipated that responses will prompt more specific questions. If you would be prepared to provide further input, please provide contact details.

Name

E mail address

Phone number

Job Title

Organisation

Annex 2

Summary of questionnaire responses

1. Twenty-nine housing organisations responded to the questionnaire: nine local housing authorities (LAs) and 20 housing associations (HAs). Only nine organisations indicated the type of area in which they operate: six work in urban areas, three in mixed urban and rural locations.
2. Six of the LAs have retained their housing stock; eight maintain and operate their own housing register.
3. All HAs except one operate in more than one local authority area with 14 HAs forming part of a regional or national structure. This illustrates the complexities surrounding the development of consistent policies for tenants in a single local authority area.
4. Data on the number and location of under-occupied homes is collected by a minority of organisations. For six respondents, less than 5% of their stock is under-occupied, for two the proportion rises to above 10%.
5. Although 20 organisations report that the lack of affordable housing for residents in housing need is addressed through the local housing strategy and affordable housing policy, the contribution that can be made by the existing stock is less well recognised: only 15 organisations award high priority to addressing under-occupation.
6. 19 of the 29 respondents have an incentive scheme to assist under-occupying households but only 15 award high organisational priority to addressing under-occupation. 14 of the schemes are individual to the responding organisation with only three operating on a partnership basis. HAs with no scheme tend to be those providing smaller homes – in some cases as specialists in retirement housing. Questions of under-occupation and overcrowding do not arise for these landlords.
7. Only three schemes are funded by a range of local LA and HA partners. Funding is generally determined on a short term basis with an annual budget set based on the previous year's expenditure, thus restricting the potential to expand a scheme or to establish a longer term strategic approach.
8. Respondents recognised the value of schemes in meeting housing need and enabling effective use of the housing stock but showed less appreciation of the benefits to older people and how schemes could help to deliver strategic priorities shared with agencies such as health, adult social care and Supporting People commissioning bodies.
9. The numbers of households assisted through schemes in 2007/08 were generally low: 10 landlords reported assisting ten or less households. The two most successful schemes assisted 52 and 73 households respectively.
10. The level of ambition for schemes was similarly varied with four landlords setting a target to assist 20 or more households in 2008/09. The remainder had targets of below 8 households or had set no target.
11. The overwhelming majority of landlords saw releasing larger homes as an operational issue located in allocations or housing management operations.

- One landlord sees it as part of the housing strategy role, closely linked to affordable housing development. The same landlord is the only one to employ staff specifically to administer the scheme.
12. The degree of choice offered to older people through the schemes is very variable with different approaches taken to allowing a spare bedroom, the eligible range of tenures and the level of priority for transfer. 60 % of schemes allow a spare bedroom. Twelve schemes assist tenants downsizing to their own or another social landlord, three limit their schemes to tenants who occupy but no longer require an adapted home, a further two assist both these categories. Two landlords also enable moves to the private sector.
 13. The priority given to under-occupation in allocations policies and Choice-Based Letting schemes is generally high but five landlords give only low or moderate priority with the probable effect that applicants are unlikely to be offered the home of their choice.
 14. Incentive schemes are publicised through newsletters, by staff dealing directly with tenants and, in three cases, by website and/or leaflet only. One landlord proactively contacts tenants directly to promote the scheme.
 15. In terms of organisations learning and improving their services, seven organisations maintain a profile of scheme users. Eight collect feedback from people assisted by the scheme.
 16. Common key features of incentive schemes are:
 - Payment per room given up (sometimes varying levels of payment according to the type of property released or moved to) or a flat rate lump sum
 - Removal costs
 - Advice and /or support through the application and moving process
 - Payments reduced to repay any rent arrears or rechargeable repairs.
 17. Commonly reported barriers to introducing or expanding an incentive scheme:
 - Lack of suitable alternative accommodation to offer
 - Cost of setting up and running a scheme
 - Tenant aspirations for bungalows, garden, sufficient space for visitors and storage.
 18. Commonly reported success factors:
 - Customer knowledge and appropriate targeting
 - Tenant satisfaction and recommendation
 - Working in partnership to increase the supply of suitable high quality new homes
 - Size of financial incentive
 - Advice and assistance during the process
 - Flexibility of payments
 - Recognition and acceptance that customer preference may be for a different landlord, tenure or area
 - Prompt payment.