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**The Royal Borough of Kensington and  
Chelsea**

**Key Decision Report dated [1]**

**For Decision by Councillor Fiona Buxton,  
Cabinet Member for Housing Services, Adult  
Social Care, Public Health and  
Environmental Health**

**Report by the Chief Housing Officer  
and the Executive Director for Housing,  
Health and Adult Social Care**

**PROPOSED EXTENSION OF THE CURRENT  
UNDER OCCUPATION SCHEME**

**1. Introduction**

- 1.1 I am writing to seek your approval to extend the current Under Occupation Scheme (UOS) to include stock owned by Registered Social Landlords operating within the Royal Borough. The extended scheme will initially be implemented on a pilot basis for six months from May 2006.
- 1.2 The aim of the UOS is to create vacancies in family size accommodation by encouraging and assisting social housing tenants who are currently under-occupying their homes to move. The current scheme utilises only TMO-managed stock, on a "like for like" basis, with the resulting voids being allocated to overcrowded TMO tenants. Extending the UOS to include RSL-owned stock will increase the number of moves achieved, so freeing up more family size units, as well as promoting mobility and increasing choice for service users.

1.3 If successful, it is planned to include the extended UOS as an element of the new housing allocations scheme for Kensington and Chelsea, currently being developed and due to be implemented in November 2006. By piloting the scheme in advance of this date, it will be possible to test its impact and effectiveness, allowing the scheme to be fine-tuned accordingly.

## 2. Background

2.1 The current UOS was originally piloted for twelve months from February 2004 and was re-launched in February 2005. In the past year, 12 more moves have been achieved than under the old scheme:

February 2004 - February 2005	18 moves
February 2005 – February 2006	30 moves

2.2 RBKC offer a bespoke incentive package to under-occupiers willing to give up their accommodation. Tenants receive an initial 50 points for registering on the UOS and an additional 150 points per bedroom released through their move. This places them in a high position on the waiting list and enables a quick move through the Choice Based Lettings (CBL) scheme. Under-occupiers also receive a financial incentive, taken from the Assisted Transfer Scheme (ATS) grant, broken down as follows:

Giving up 1 bedroom	£1200 and £300 removal costs
Giving up 2 bedrooms	£1700 and £350 removal costs
Giving up 3 bedrooms	£2200 and £350 removal costs

2.4 Additionally, RBKC's Housing Needs Group (HNG) budget caters for up to two weeks rental payment on the new property, to allow the under occupier time to move and to eliminate the possibility of any rent arrears accruing. If there are any other specific requirements (for example additional works, or top up of removal costs) we endeavour to cater for these.

2.5 Total expenditure on the UOS for the period Feb 2006 - Feb 2006 was £57,367. This cost was met through £49,400 from the ATS funding, provided by the TMO, and £7,967 from the HNG budget. The average cost of a move over the past year has been £1,912.

## 3. Need

3.1 The Association of London Government (ALG) has recently highlighted overcrowding in London. The Government is to

modernise the overcrowding standard following research from the ODPM highlighting the link between overcrowding and child poverty. Locally new figures show that RBKC is amongst the most badly affected local authority areas in Britain in terms of over crowding.

- 3.2 The underlying problem, both in RBKC and elsewhere in the capital, is a serious shortfall of larger units offering three-bedrooms plus. In addition to the overcrowding implications, this also increases average length of stay in temporary accommodation for homeless families requiring larger properties, with families often waiting longer than five years. This is clearly cause for concern, particularly in the context of the Government target to halve the number of households in temporary accommodation by 2010.
- 3.3 The ALG recommends that local authorities provide support and incentives to assist moves to smaller properties by social tenants under-occupying larger homes, as a means of freeing up these up for households in need.

#### **4. Operation of the extended scheme**

- 4.1 The UOS will be open to Council tenants as currently and to RSL tenants whose landlord has entered into an agreement with RBKC to participate in the scheme.
- 4.2 To enable RSLs to come on board, we envisage a broadly similar scheme to the present one, in terms of operation. To facilitate the expansion the following approach is proposed:
  - All participating RSLs and the TMO to register all of their overcrowded families and interested under-occupiers on the Common Housing Register (CHR).
  - Overcrowded RSL tenants will be pointed on the same basis as TMO tenants and CHR applicants are currently, ie 10 points if they are overcrowded by one bedroom, 20 points if overcrowded by two bedrooms, 30 points if overcrowded by 3 bedrooms, 40 points if overcrowded by 4 bedrooms and 50 points if overcrowded by 5 bedrooms. (This distribution of points will change with the implementation of the new allocations policy, which will give a substantially higher level of priority to severely overcrowded households, defined as those lacking two bedrooms or more).
  - Under-occupying RSL tenants will be pointed on the same basis as TMO tenants are currently (see para 2.3).

- It is anticipated that the level of points awarded to under-occupiers will enable them to bid successfully for one or two bed properties advertised on the weekly CBL list. However where appropriate under-occupiers may be given preference in allocating particular properties, as a way of increasing the number of moves achieved.
- Direct offers may also be made in order to facilitate a particular move, where appropriate.
- If the under occupier's present property **and** the property they wish to move into are owned by the same landlord, then the financial incentive will be paid by that landlord and the move will be considered as a transfer.
- If the landlords are different, then the responsibility for paying the incentive lies with the under occupier's current landlord.
- The voids resulting from under occupation moves will be split 50/50, with 50% of voids being advertised to overcrowded CHR applicants, whose landlord could be TMO, RSL or private sector, and the remaining 50% being advertised for homeless families.

4.3 It is also proposed to adopt a streamlined incentive package for under-occupiers willing to move, to ensure uniformity for all RSLs participating in the scheme. This will be based on the current incentive package and will offer a comprehensive range of options on a bespoke basis, to encourage and facilitate individual moves. As well as a cash incentive per bedroom given up (see para 2.3 for rates), these options will include:

- Accompanied viewings
- Disconnection and reconnection of domestic appliances e.g. cookers and washing machines
- Disconnection and reconnection of utilities
- Redirection of mail
- Removals (and packing if required for more vulnerable tenants)
- Telephone reconnection
- Redecoration to a similar standard to property given up
- Renewed flooring to the same standard
- Additional security measures
- Option of separate accommodation for parent and adult child living together, if under-occupying by one bedroom or more.
- Improvements to kitchens and bathrooms in the new property to bring them up to a similar standard to the tenant's current accommodation.

4.2 For tenants with arrears, a move to smaller accommodation will be permitted but no incentive package will be offered. The arrears will

be cleared up to the agreed amount and a payment arrangement made with the tenant for the outstanding arrears.

## **5. Consultation**

- 5.1 Initial consultation has taken place with the TMO and six of the larger RSLs operating in the Borough. The initial response to the proposed new scheme has been favourable and it is hoped that all these organisations will agree to participate in the extended scheme from the outset. Approaches to other RSLs in the Borough will be made over the coming weeks.
- 5.2 Further consultation will be undertaken as part of the formal consultation on the new housing allocations scheme, to be undertaken later this year. The list of all consultees will include the TMO, all Registered Social Landlords operating with the Borough, advice agencies and other relevant voluntary organisations, NHS Trusts and community and BME groups. The outcome, together with the data collected during the pilot project, will shape the future operation of the scheme.

## **6. Options**

- 6.1 To implement the extension of the UOS as detailed in paragraph 4, in line with Government policy to make best use of existing stock and providing additional housing options for the Borough's social housing residents.
- 6.2 To continue the present under occupation scheme. Given the clear benefits of extending the scheme to other social landlords, this option is not recommended.

## **7. Financial, Legal, Personnel and/or Equalities Implications**

- 7.1 For each move that takes place, the landlord of the under-occupying tenant is expected to pay the financial incentive. For the purposes of administrative simplicity, it is proposed to create a pooled budget for these payments, which would be held by the RBKC Housing Options Team as part of their responsibility for managing the UOS as a whole. Initially it is suggested that each RSL should contribute £10,000 to the pooled budget and that this amount should then be increased in line with the success of the scheme. RBKC Housing Options Team would then distribute the money as and when each

under occupier moved. This would be cut down unnecessary time checking with RSLs to see whether payments have been made to the under occupier, for example. It is more user friendly for the under occupier to have one named officer/team to deal with every aspect of their move.

- 7.2 RBKC is funding a second Under Occupation Officer post in 2006/07, providing the additional resources necessary to make the extended scheme work well. In addition the Housing Needs Group will have a budget for additional rent payments, additional works and top up of removal costs for 2006/7.
- 7.3 The Head of Resource Management Housing, Health and Adult Social Care comments that the financial resources required for the development of the UOS as defined in this report are already in place. There are no further financial implications.
- 7.4 There are no legal or personnel implications arising from the pilot project.
- 7.5 In relation to diversity issues, it is not anticipated that the Under Occupation scheme will impact differently on BME communities, older people or people with disabilities than on housing applicants in general. This assumption will be tested by running the pilot project, as part of which data will be collected on the ethnic origin, age and health status of both under occupiers and overcrowded households. Any relevant findings will be taken into account in deciding how the scheme will operate in the longer term.

## **8. Recommendation(s)**

- 8.1 I recommend that the extended UOS is implemented as a pilot project, as set out in this report, and subject to a successful outcome, that the scheme should be incorporated into the new housing allocations policy.

Gerald Wild  
Chief Housing Officer

Jean Daintith  
Executive Director for Housing, Health and Adult Social Care

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### **FOR COMPLETION BY AUTHOR OF REPORT:**

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**Background papers:** None.

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### **FOR COMPLETION BY GOVERNANCE SERVICES:**

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