

# Tackling overcrowding in England

## A response to the DCLG discussion paper

From the Shelter policy library

15 September 2006

[www.shelter.org.uk](http://www.shelter.org.uk)

© 2006 Shelter. All rights reserved. This document is only for your personal, non-commercial use.  
You may not copy, reproduce, republish, post, distribute, transmit or modify it in any way.

This document contains information and policies that were correct at the time of publication.

# Shelter

## Executive Summary

- We are pleased the Government is looking to seriously address the problem of overcrowding and we welcome this opportunity to present our views on the issue.
- Overcrowding can have a devastating impact on family relationships, health and the development and education of children.
- Black and Minority Ethnic groups are more likely to experience overcrowding than white households.
- The new overcrowding standard should be based on the bedroom standard. Consideration should be given to adjusting certain parts of the bedroom standard to make it more appropriate to modern standards. The standard should be raised in one step.
- The Government should adopt an Action Plan setting out a strategy for ending severe overcrowding in the rented sector by 2013, halve overcrowding in the rented sector and all overcrowding in rented accommodation by 2020.
- The main method of ending overcrowding can only be through increased supply of larger sized social rented homes in the right locations. We estimate that to address overcrowding in the social rented sector through increased social supply of social homes alone would cost in the region of £477 million per year over 13 years. This would involve supplying 85,000 3, 4 and 5 bed plus units for overcrowded households but would also release 84,000 1, 2 and 3 beds for housing over households in need.
- The enforcement element of the statutory standard should be abolished. The Housing Health and Safety Rating System should be used instead where necessary to address overcrowding.
- Local authorities should retain the flexibility they currently have in setting allocation priorities. Best practice in allocations policy should be highlighted and promoted.
- Local authorities should be encouraged to set targets for reducing overcrowding through Local Public Sector Service Agreements. Regions should be encouraged to develop regional overcrowding strategies.
- Cash incentive schemes if operated to a good standard can play an important role in freeing up badly needed family sized social housing.
- Attention must be given to developing methods to alleviate overcrowding amongst homeowners and private renters. Increased access for overcrowded households to low cost home ownership schemes may be one answer.
- It is essential that all methods of addressing overcrowding be explored including better use of existing stock and widening of options for overcrowded families.

## Contents:

|  |           |
|--|-----------|
| <b>Executive Summary</b>                                 | <b>3</b>  |
| <b>Introduction</b>                                      | <b>4</b>  |
| <b>The Overcrowding Problem</b>                          | <b>5</b>  |
| The impact of overcrowding                               | 6         |
| <b>Amending the overcrowding standards</b>               | <b>8</b>  |
| What does Shelter want from a new overcrowding standard? | 8         |
| Which standard?  | 8         |
| The Housing Health and Safety Rating System              | 8         |
| A completely new definition                              | 9         |
| The Bedroom Standard                                     | 9         |
| <b>The consequences of a new definition</b>              | <b>10</b> |
| Overcrowding and Homelessness                            | 11        |
| Enforcement  | 12        |
| Allocations Policy                                       | 12        |
| <b>Solutions to overcrowding</b>                         | <b>14</b> |
| <b>Action Plan</b>                                       | <b>14</b> |
| Estimates of the supply required                         | 15        |
| Bringing down the barriers to providing larger homes     | 16        |
| Local Public Service Agreements                          | 16        |
| Regional Housing Strategies                              | 17        |
| <b>Making better use of existing stock</b>               | <b>17</b> |
| Making a difference straight away                        | 17        |
| Cash incentives and reducing under-occupation            | 18        |
| <b>Widening options for overcrowded households</b>       | <b>19</b> |
| <b>Overcrowding and private sector housing</b>           | <b>20</b> |
| <b>Annex</b>   | <b>21</b> |

Shelter is a national campaigning charity that provides practical advice, support and innovative services to over 170,000 homeless or badly housed people every year. This work gives us direct experience of the various problems caused by the shortage of affordable housing across all tenures. Our services include:

- A national network of over 50 housing aid centres
- Shelter's free housing advice helpline which runs from 8am-midnight
- Shelter's website which provides housing advice online
- The Government-funded National Homelessness Advice Service, which provides specialist housing advice, training, consultancy, referral and information to other voluntary agencies, such as Citizens Advice Bureaux and members of Advice UK, which are approached by people seeking housing advice
- A number of specialist projects promoting innovative solutions to particular homelessness and housing problems. These include 'Homeless to Home' schemes, which work with formerly homeless families, and the Shelter Inclusion Project, which works with families, couples and single people who have had difficulty complying with their tenancy agreements because of alleged anti-social behavior. The aim of these particular projects is to sustain tenancies and ensure people live successfully in the community.
- We also campaign for new laws and policies - as well as more investment - to improve the lives of homeless and badly housed people, now and in the future.

## Introduction

We are pleased that the government is now acting to utilise the power created by the Housing Act 2004 to amend the overcrowding standards and that it is looking to seriously address the growing problem of overcrowding. We welcome the opportunity to provide our thoughts on this subject.

The existing statutory standards for overcrowding have remained unchanged since their introduction in 1935 in response to the need to improve the slum living conditions of the inter-war period. As a result, they fail to reflect a modern understanding of what is acceptable in terms of living arrangements, counting living rooms as bedrooms and assuming that it is unnecessary for couples to be able to share a room. The result is that households, particularly families with children, must endure very high levels of overcrowding before the statutory threshold is breached.

Every day our advice workers see clients who experience the trauma of overcrowding. Often due to the pressures on larger social housing there is little that advisors can do to assist these clients except desperately scan allocation policies in the hope of finding a way too gain the client some extra priority.

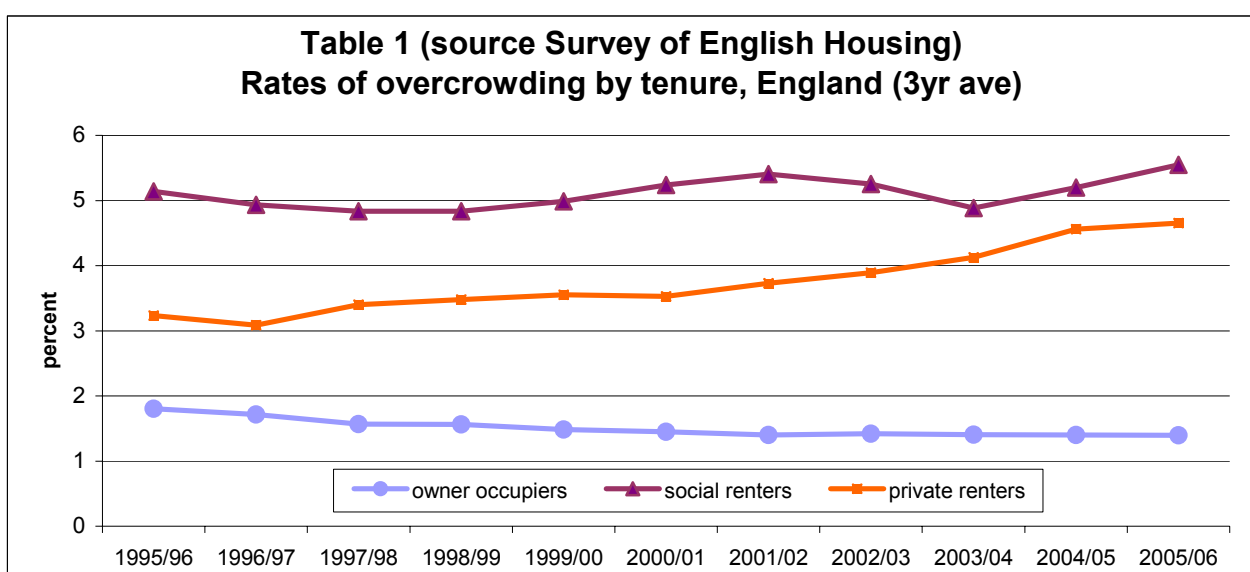
Without doubt the main method for addressing the levels of overcrowding in England can only be an increased supply of larger homes but there is an important role for other initiatives such as making better use of the existing stock, shared equity schemes and widening of options for overcrowded families.

## The Overcrowding Problem

The Survey of English Housing (SEH) gives a national picture of overcrowding measured against the Bedroom Standard. Although the number of overcrowded households covered by the survey sample is relatively small, this source provides the best national data on overcrowding currently available.

According to the SEH about 526,000 households across England are overcrowded under the Bedroom Standard. This is experienced across all housing tenures, affecting an estimated 215,000 social renters, 204,000 owner-occupiers and 107,000 private renters. The vast majority of these households, approximately 90%, are short of one bedroom whilst the rest are occupying accommodation that is two or more rooms below the bedroom standard.

SEH figures also show that over the last ten years the proportion of social renters experiencing overcrowding has risen from 5.1% to 5.5% (Table 1). The private rented sector has similarly seen an increase in overcrowding, up from 3.2% of all its households to 4.7%. The only tenure to experience a reduction in the percentage of households experiencing overcrowding is owner occupation, down from 1.8% to 1.4%. However, given the size of the owner occupied sector, there has been a small reduction in overall overcrowding levels across all tenures, from 2.7% in 1995/6 to 2.5% in 2005/6.



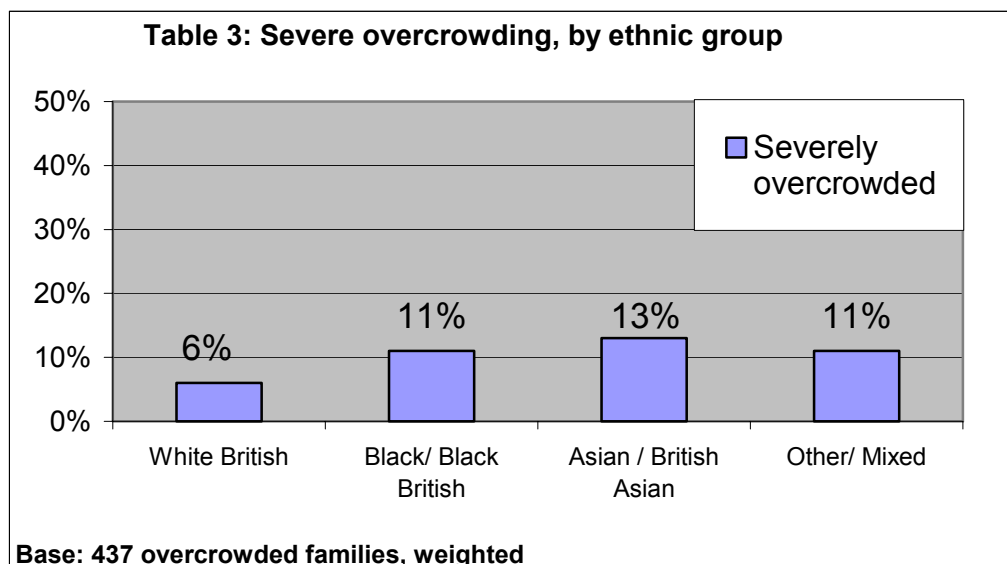
As shown by Table 2, overcrowding varies significantly according to region<sup>1</sup>. London has the highest regional overcrowding rate for each housing tenure. The West Midlands and North West are second and third for private renters and homeowners, whilst the South East and South West are second and third behind London for overcrowding in the social sector.

<sup>1</sup> Overcrowding rate by region and tenure, 2003/04 to 2005/06, Survey of English Housing chart.

**Table 2 - Overcrowding rates by region & tenure, England: 2003/4 to 2005/6 (Source: Survey of English Housing)**

| Region         | tenure    |         |         | all<br>tenures |
|----------------|-----------|---------|---------|----------------|
|                | owner     | social  | private |                |
|                | occupiers | renters | renters |                |
| percentage     |           |         |         |                |
| London         | 3.0       | 12.2    | 9.8     | 6.6            |
| West Midlands  | 2.0       | 4.2     | 4.3     | 2.7            |
| North West     | 1.7       | 2.9     | 3.7     | 2.1            |
| South West     | 1.0       | 6.2     | 2.2     | 1.8            |
| North East     | 1.0       | 3.0     | 3.4     | 1.7            |
| East Midlands  | 1.1       | 3.3     | 2.6     | 1.6            |
| Eastern        | 0.9       | 3.7     | 2.7     | 1.6            |
| South West     | 0.7       | 5.3     | 2.8     | 1.6            |
| Yorks & Humber | 1.0       | 2.2     | 3.3     | 1.4            |
| England        | 1.4       | 5.5     | 4.6     | 2.5            |

Black and Minority Ethnic (BME) groups experience overcrowding disproportionately. According to a Shelter survey<sup>2</sup> of 437 overcrowded families in six local authority areas, BME groups were about twice as likely as White British families to lack two or more bedrooms according to the Bedroom Standard (see Table 3).



### The impact of overcrowding

Overcrowding robs individuals and families of the space and privacy that they need from a home. As a result, it can harm family relationships, undermine good health and damage children's education, development and life chances.

Shelter's recent report *Full House* surveyed the experiences of 505 overcrowded families across six areas – including 152 classed as severely overcrowded – and reveals the often shocking

<sup>2</sup>Taken from Full House, Shelter, 2005

realities of living in overcrowded housing. Most of those who participated in the research were from average-sized families with one, two or three children crammed into one- or two-bedroom flats.

Their testimonies confirm the devastating impact of their living conditions on family relationships, health, and the development and education of children. Key findings include:

- three quarters of the overcrowded families had children sharing a bedroom with a parent or parents.
- more than a quarter had children sleeping in living or dining rooms – and this rose to more than half of severely overcrowded families.
- one in ten families were forced to pair teenagers of opposite sexes in the same bedrooms – a figure that rose to 19 per cent among severely overcrowded families
- eighty-six per cent said depression, anxiety or stress in the home were a result of cramped living conditions.
- three-quarters of severely overcrowded families strongly agreed that their children's health was affected by their living conditions.
- 60 per cent of families strongly agreed that overcrowding was a damaging influence on their children's education, rising to 78 of those from Asian or Asian British groups.

Shelter recent publication 'I am so crowded: This is my story' provided a collection of first hand accounts of children living in overcrowded conditions. It includes accounts from children who are desperate to revise for their exams but can't find the space to study at home, children sharing bedrooms and even beds with siblings and even parents, and from teenagers who struggle to preserve their dignity while suffering adolescence with no private space to call their own.

Shelter recently commissioned child development expert Lisa Harker to consider the impact of housing in relation to the Government's Every Child Matters outcomes. This research 'Chance of a Lifetime'<sup>3</sup> found a considerable body of evidence demonstrating the negative impact of overcrowding on children's health and life chances. It concluded that overcrowding can:

- increase the risk of infectious and respiratory diseases. This can mean lost sleep, restricted physical activity and missing school. Children in overcrowded housing are up to 10 times more likely to contract the life threatening disease meningitis.
- result in slow growth in childhood, something that is associated with an increased risk of coronary heart disease in adult life.
- lead to long-term mental health problems such as anxiety and depression.

The Government is currently considering adopting a material deprivation tier as part of its methodology for measuring levels of child poverty. We are pleased that overcrowding is to be measured as part of the child poverty target. The impact of high housing costs will also be measured indirectly by the new measure. Tackling housing issues therefore has an important role to play in meeting the Government's target to end child poverty by 2020.

---

<sup>3</sup> Harker, Chance of a lifetime, the impact of bad housing on children's lives, Shelter, 2006.

## Amending the overcrowding standards

The current statutory standards for overcrowding date from 1935 when they were introduced to deal with the need to improve the slum living conditions of the inter-war period. It was originally intended that they should be updated over the years as living standards improved. This did not happen and now we have standards that are well below society's expectations. Under these existing standards children under the age of twelve months are not counted as members of the household, a parent can be expected to share a room with a child, and living rooms as considered acceptable places to sleep. A revision of these standards is long overdue.

### What does Shelter want from a new overcrowding standard?

Shelter believes that a new definition of overcrowding should:

- be in line with modern living standards, reflecting current views regarding the need for space and privacy
- be effective for making quick objective assessments of a household's situation,
- provide an effective method for measuring the problem of overcrowding both locally and nationally,
- provide a useful reference standard for local authority allocation policies,
- be capable of being used to distinguish between different levels of severity of overcrowding,
- set a standard that will protect children from the negative impacts of overcrowding on their health, education and life chances

Any definition adopted should be effective for establishing a true picture of the extent of modern day overcrowding and assist in making more accurate assessments of housing need, particularly the numbers of family sized houses required.

### Which standard?

The discussion paper outlines three main options for updating the overcrowding standards. These are implementation of a standard based on the Bedroom Standard, aligning the definition with the assessment framework set out in the Housing Health and Safety Rating System Operating Guidance or the creation of a new definition of overcrowding.

Shelter believes that, of these three options, the Bedroom Standard provides the best basis for a new definition of statutory overcrowding.

### Housing Health and Safety Rating System

The Housing Health and Safety Rating System Operating Guidance, introduced as part of the 2004 Housing Act to replace the old fitness standards, includes an assessment framework to measure the overcrowding situation in a property. This looks beyond simply the size and composition of a household and the number of rooms they require. Instead it considers these aspects alongside other factors, for example whether there is sufficient space for the separation of different household activities, the size of rooms, the layout of the accommodation and the availability of indoor and outdoor recreation space.

Whilst we support the inclusion of such aspects in the HHSRS assessment framework used to measure overcrowding we do not feel that it is well suited for adoption as the statutory standard. Although the HHSRS Operating Guidance outlines considerations that should be taken into account when assessing overcrowding, it does not set out a clear and defined benchmark of



acceptability, allowing considerable scope for judgement. As a result, there is a danger of inconsistency of application, and indeed some local authorities have reportedly responded with guidelines intended to interpret and clarify the original guidance. For these reasons, we believe that the use of the HHSRS assessment framework should be limited to in depth assessment of households' housing circumstances for enforcement purposes under the provisions of the 2004 Housing Act.

### **A completely new definition**

The discussion paper also suggests that a completely new definition of overcrowding could be created. We believe that this would not be likely to generate any genuinely new approaches: the only alternative that we can envisage would be to vary the Bedroom Standard by combining it with a modernised version of the space standard, an option that we discuss below. Secondly, as noted in the discussion paper, the development of a completely new standard would require widespread discussion and consultation. This would unnecessarily delay the introduction of an updated statutory standard, an outcome which we believe would be highly undesirable given the pressing nature of the overcrowding problem and the need for it to be addressed urgently.

### **The Bedroom Standard**

Shelter recommends that the new definition of overcrowding be based on the bedroom standard. The bedroom standard has been used in Government social research since the 1960s. As DCLG housing surveys of the last ten years have shown it is still suitable for providing an estimate of overcrowding both regionally and nationally. If the problem of overcrowding is to be tackled it must be easy for a picture of overcrowding to be gained both locally by local authorities and landlords and nationwide by the Government.

In a similar way to the current statutory standards the Bedroom Standard is fairly simple and straightforward and so provides an easy benchmark for landlords, tenants and other parties to make a quick assessment of a household's situation. It also allows large-scale landlords to make a fairly easy estimate of the overcrowding situation within its own stock.

The bedroom standard sets out a definition of overcrowding that is much closer to contemporary thresholds of acceptability than the current statutory standard. It does not include living rooms as available for sleeping in, it does not require couples to sleep separately and it takes account of children under 12 months.

Yet the standard is not perfect; indeed it has been described previously by the DCLG as being on the 'margin of acceptability' by today's living standards. It still expects, for example, individuals with widely differing lifestyles to share a bedroom: for instance, someone aged twenty could be expected to share a room with a child aged five if they are both of the same sex.

We believe consideration should be made to adjusting detail of the bedroom standard before it is adopted as a statutory standard. Changes should be examined include:

- **Lowering from 21 to 18 the age at which an adult is entitled to their own room:** This would bring the standard in line with the generally accepted age for the start of adulthood, and would also bring the standard into line with the current Housing Benefit regulations.
- **Lowering from 10 to 8 the age at which children are split by gender.** This aspect of the standard is drawn from the age that children were previously thought to require privacy and is linked to the onset of puberty. However, it is now thought that puberty is beginning from an earlier age, often from the age of eight. This is reflected, for example, in the HHSRS Operating Guidance, according to which: 'The need for privacy begins to develop from the age of eight and will be fully formed during puberty'.

- Consideration should also be given to the possibility of **outlining minimum room measurements in order for a bedroom to qualify as being available for two persons rather than one**. Many homes contain single rooms or box rooms that would certainly not be suitable for two persons. On the other hand it would be important to think through the consequences of such a move in terms of the impact on the effectiveness of the standard as a tool for measuring the local and national picture of overcrowding.

Another key aspect of any key overcrowding standard is its ability to differentiate effectively between severities of overcrowding. In this respect it could be argued that the bedroom standard is not sensitive to the differing severity of overcrowding experienced by two households lacking an equal number of bedrooms. For instance a couple with two teenagers of the same gender and a lone parent with a newborn baby would both show up under the bedroom standard as requiring one additional room if occupying a one bedroom home.

Table 4 in the annex sets out a basic tool we have devised as an example of how the bedroom standard might be developed to overcome this shortcoming. It shows the different possible permutations of a household who require a two-bedroom home but are occupying a one-bedroom property. It then awards three levels of priority in line with how severe the particular example of overcrowding is judged to be.

The benefits of adapting the bedroom standard to allow for such a breakdown of severity of overcrowding include:

- allowing The Survey of English Housing to provide a more indepth picture of the overcrowding problem with out requiring any additional information.
- providing a simple and objective method for local authorities to increase the sensitivity of priority awarded in allocation systems. Currently priority is generally awarded simply in line with the number of additional rooms required.

## The consequences of a new definition

The discussion paper suggests that the bedroom standard could be adopted as the new statutory definition in a series of stages. Whilst we accept that a phased approach is needed towards delivery against a new overcrowding standard, Shelter does not support a staged approach to updating the standard. Instead, we would urge that a new standard, based on the bedroom standard, is adopted in one step. This would establish a true picture of the extent of modern day overcrowding and assist in making more accurate assessments of housing need, particularly the numbers of family-sized homes required.

It has been argued that a staged approach to updating the overcrowding standard is necessary to avoid placing undue pressure on local authorities in the form of increased homelessness applications and increased numbers of overcrowded households receiving priority for rehousing. This is based on the fact that local authorities are required to ensure reasonable preference is given to certain categories of people<sup>4</sup> including 'people occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions'.

However, as stated by the former housing minister, Keith Hill, in an answer to a Parliamentary Question, overcrowded households are only given 'reasonable preference' and not extra priority ahead of others in more immediate housing need<sup>5</sup>. The Allocation of Accommodation Code of Guidance makes it clear that authorities are allowed flexibility to decide how they balance the

---

<sup>4</sup> s167 (2) Housing Act 1996

<sup>5</sup> House of Commons, Official Report, 18 November 2003: Column 807W (see Annex B)

differing levels of priority they award to the specified groups. Under the current legislation and guidance authorities must simply ensure overcrowded households receive some preference over those that do not fall into the specified groups. Beyond this they are broadly free to set the allocation priorities according to local need.

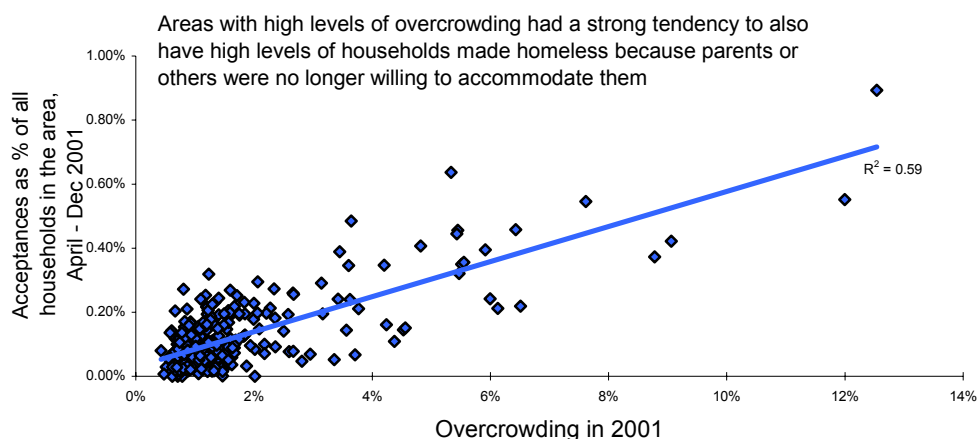
Likewise, there is no reason to believe that updating the overcrowding standard would result in a significant increase in statutory homeless acceptances. Statutory overcrowding is only 'a relevant consideration' in reaching a decision on whether it is reasonable for an household, applying as homeless under section 175 of the Housing Act 1996, to continue to occupy their current accommodation. Under the current legislation and guidance the general circumstances prevailing in relation to housing in the district constitute the most important consideration in the local authority's decision, and so a higher standard should not lead to an increase in the numbers of overcrowded households being accepted as homeless.

## Overcrowding and Homelessness

We understand the Government's concern that an approach to overcrowding is required that does not displace problems or solve one at the expense of other vulnerable groups. We recognise in particular that in considering how to tackle overcrowding, thought needs to be given to the impact on the statutorily homeless and on the Government's temporary accommodation target. However, we believe there are good reasons to suggest that tackling overcrowding need not be at the expense of goal of tackling homelessness, and that it may indeed play a role in supporting the latter.

Overcrowding can often be the driving force behind homelessness applications. Evidence produced by James Gleeson of the Association of London Government shows that areas with high levels of overcrowding have a strong tendency to also have high levels of households made homeless because parents or others were no longer willing to accommodate them (Table 5).

**Table 5 - Overcrowding and households accepted as homeless because parents/others not willing/able to accommodate - all local authorities in England**



This role of overcrowding as a cause of homelessness is recognised by the Royal Borough of Kensington and Chelsea (RBKC). They claim that a fifth of all local homeless applications come from households with dependent children who are living in overcrowded family homes that they are asked to leave. As a homelessness prevention measure RBKC are proposing the introduction of a New Generation Scheme (NGS), aimed at such households.

The scheme will offer an alternative route to rehousing, guaranteeing an opportunity to access permanent social housing within a maximum period of 12 months to applicants who are willing and able to remain in their family home whilst awaiting an offer. This method of tackling overcrowding

may help to reduce the volume of homeless applications and the number of households in temporary accommodation.

In addition, it is important to note that the statutorily homeless and the overcrowded are not always in direct competition with one another for homes. The homeless are often in need of one and two bedroom lettings whilst the overcrowded will generally require three bedroom lettings. According to the Survey of English Housing data from 2000-2003 of overcrowded households in London's social sector over 70% require 3 bedrooms or more.

In contrast, only approximately 55% of all homelessness acceptances in England are awarded 'priority need' because of dependent children. Of the remaining 45%, including those accepted due to pregnancy, it is unlikely that a significant number will require more than a two bedroom property. London homelessness figures for March – June 2006 show that 57% of households with children who had a homelessness application accepted contained only one child and so require only a two-bed property<sup>6</sup>. Another 25% featured only two children. Taking a cautious approach and estimating that around half of those households with two children would qualify for two bedrooms under the bedroom standard we can estimate that perhaps 70% of homeless households with dependent children require only a two-bedroom home.

On the basis of the above figures, it is possible to calculate that perhaps only 16.5% of all homeless acceptances require a property larger than two bedrooms. Whilst this estimate is very crudely drawn and will not reflect local circumstances, when considered against the 70% of overcrowded households requiring 3 bedrooms or more, it does indicate that in general the statutorily homeless and overcrowded households are not always in competition for the same properties.

More than this, provision of larger accommodation for overcrowded households in the social sector could in fact benefit homeless households by freeing up the smaller accommodation that most of them require. As discussed below under "Estimates of Supply Required" we calculate that if suitable larger homes were provided for London's overcrowded families in the social rented sector, this could release 9,000 two bedroom and 26,000 one bedroom lettings for homeless households.

## **Enforcement**

The issue of enforcement powers needs to be considered alongside any amendment to the overcrowding standards. The current criminal enforcement powers attached to the current statutory overcrowding standards are rarely used today. We believe these powers may not be necessary with an updated statutory standard as the HHSRS now provides a range of enforcement options for local authorities to deal with overcrowding.

Enforcement action is a duty for local authorities under the HHSRS when a Category 1 hazard exists and a power is granted to take action when a Category 2 hazard is present. Local authorities have a wide array of possible enforcement methods under the HHSRS including service of an improvement notice, prohibiting use of the property, serving a hazard awareness notice or taking emergency remedial action. This allows local authorities the flexibility to act in a variety of ways to deal with overcrowding where enforcement action is necessary.

## **Allocations Policy**

The discussion paper highlights that allied to the definition of overcrowding is the issue of what priority overcrowding should be given in allocations policy. As noted above, local authorities are currently required by s167 (2) of Housing Act 1996 to award 'reasonable preference' to certain specified groups, but the relevant code of guidance makes it clear that authorities have flexibility

---

<sup>6</sup> P1E returns, DCLG, June 2006.

in deciding how they balance the priority given to different groups that they are required to award reasonable preference to.

In practice allocations policies vary quite widely as does the priority awarded by different systems to overcrowding. Some examples include:

- *London Borough of Tower Hamlets* operates a choice based lettings (CBL) system with four bands. Overcrowding is not a determining factor of which band an applicant is placed in. Instead the level of overcrowding is the deciding factor if two applicants within the same band apply for a property. Statutorily homeless households are always awarded higher priority than a household with no other claim than overcrowding.
- *Blackpool Borough Council* operate a system with Bands A-C. Statutory Homeless households, those in property deemed unfit by environmental health and anyone needing three or more additional bedrooms are all awarded 'A' priority, as are under occupiers willing to move to smaller home. Those needing one or two additional bedrooms are awarded Band B.
- *Salford* operates a system based primarily on waiting time. Although a head start is awarded in waiting time to certain groups, for example two years for statutory homeless, one year for non-urgent medical cases and six months for overcrowding.
- *Barnsley Metropolitan Borough Council's* policy makes no reference at all to overcrowding. Instead it allocates priority under broad headings that consider the current risk to a household's health or well being if they remain in the current accommodation. It can only be assumed that overcrowding is one of the considered factors in an assessment.

The paper specifically asks: 'Should we amend the guidance to make it clear that overcrowded households should have the same priority as other people who are accorded reasonable preference?' It is unclear previously what is envisaged here. It could be taken to mean that all groups awarded reasonable preference would receive the same priority or alternatively that overcrowded households would be awarded equal priority to whichever reasonable preference group is awarded highest priority under an authority's allocation scheme. It is difficult to see how either approach could be implemented without undermining the flexibility that authorities current possess.

We are concerned that any change to the relevant legislation or guidance concerning the priority accorded to overcrowded houses would result in a more prescriptive allocations system. Whilst we support limited prescription in the form of the current reasonable preference groups we feel it is important that local authorities retain flexibility where possible, allowing them to set their allocation policies in line with the particular mix of circumstances, need and supply in their area. Any move towards further centralisation of allocations is likely to undermine their ability to do so.

Instead of changes to the allocation guidance we suggest that as part of the overcrowding Action Plan suggested below, the Government should encourage local authorities with serious overcrowding to treat it as a priority issue. In addition, the Government should identify and promote good practice examples of how allocation policies can help to tackle overcrowding.

*Good practice in stock transfer and allocations in Tower Hamlets.*

Stock transfer landlord, Tower Hamlets Community Housing (THCH), undertook to make an offer of a new home, within five years, to all overcrowded tenants on the transfer list. THCH negotiated with Tower Hamlets Council for greater flexibility in their nomination agreement to allow for operation of this overcrowding strategy.

In March 2000 the new landlord made this promise to 178 stock transfer tenants and fulfilled it by October 2004. The strategy was so successful that THCH adopted further overcrowding strategies for those who became overcrowded since and for new stock transfer tenants.

## Solutions to overcrowding

It is clear that simply amending the statutory standards for overcrowding will not solve the problem. Realistic solutions must be found that can seriously address the problem of overcrowding.

### Action Plan

We believe that if the Government is serious about addressing overcrowding it will need to develop an Action Plan that outlines a strategy for doing so. Consideration should also be given to the creation of an Overcrowding Unit to take responsibility for developing a baseline assessment of the problem, developing a strategy to address it, spreading good practice and promoting joint working between departments and agencies. This could operate along the lines of the Bed and Breakfast unit that successfully achieved the target to ensure no family remained in bed and breakfast accommodation for longer than six weeks.

The Action Plan should contain a step-by-step plan for firstly gaining a better understanding of the extent of overcrowding regionally and nationally and the reasons behind any increase. It should then develop a realistic strategy for eradicating the problem through both various methods including targeted new supply of larger homes, prevention and mobility. As part of the Action Plan, we call on the Government to commit to the following targets:

- Eradicate overcrowding in the rented sector by 2020, aligning the need to tackle overcrowding with the achievement of the Government's child poverty goal
- Halve by 2013 the number of households in the rented sector that are overcrowded
- By 2013, eliminate all cases of severe overcrowding, defined as households lacking two or more bedrooms according to the bedroom standard. It is estimated by the Survey of English Housing that there are currently 54,000 households that are severely overcrowded according to this definition<sup>7</sup>

We believe that the 2020 target is realistic and achievable, allowing considerable time for plans to be developed and implemented and for the necessary increase in the supply of larger homes to come on stream. It is however essential that, the Government also commits itself to achieving the 2013 targets, as these are needed to deal with the urgent nature of the current situation, and to ensure that adequate progress towards the 2020 is made.

---

<sup>7</sup> Survey of English Housing figures – 2004/05.



## Estimates of supply required

Whilst we support many of the initiatives mentioned in the discussion paper such as better use of existing stock through cross borough nominations, extensions and conversions, reducing under occupancy and shared equity schemes, it is clear that the scale of the problem demands more than this. Increasing the supply of larger social rented homes will be essential if the situation is to be addressed in any realistic manner.

Shelter's submission to the 2007 Comprehensive Spending Review (CSR) calls for an additional 20,000 social rented homes per annum from 2008-11 above the 30,000 currently planned by the Government. The additional 20,000 comprises the very minimum we feel are needed to meet newly arising need and to meet the Government's target to halve the numbers in temporary accommodation by 2010. We estimate that this would require an increase in public investment of approximately £1.25 billion per annum for each year covered by the CSR.

These figures do not include provision for increasing the supply of larger social rented homes to address the current backlog of overcrowded households. Any increase in supply specifically for dealing with overcrowding would therefore need to be in addition to the 20,000 social rented homes per year identified in our CSR submission.

However, offsetting this is the fact that tackling overcrowding in the social sector has the potential to free up a substantial number of smaller social rented homes. Any increase in supply targeted at overcrowded households in the social sector has a double impact in that it releases a letting for occupation by a smaller household. In this way, an increase in supply of larger social rented homes targeted at overcrowding could at the same time significantly assist with achieving the Government's target to halve the numbers in temporary accommodation by 2010.

Drawing on SEH data specifying size of property and the number of bedrooms required to meet the bedroom standard, we have been able to form a picture of the pattern of overcrowding in the social rented sector. We have then used these figures to calculate the number of family sized homes that would be required to address the overcrowding issue and the number of smaller social lettings that would be freed up.

The results of this analysis are presented in Tables 5, 6 and 7 in the Annex. They show how providing for the largest households first i.e. those requiring five or more bedrooms would release a number of three and four bedroom homes. This would then provide lettings for households currently overcrowded in one and two bed properties, in turn freeing up vacancies for smaller households in need. Based on these calculations, and using average grant allocation figures for 2006-8 provided by the National Housing Federation, we estimate that:

- in order to address overcrowding in the social rented sector in England through increased supply alone, 85,000 larger units would be required at a grant cost of £6.2 billion or £477 million per year over 13 years.
- in order to address overcrowding in the social rented sector in London through increased supply alone 6000 homes of five bedrooms or more, 16,000 four bed homes, and 13,000 three bed homes would be required, at a grant cost of around £3.66 billion. This would in turn free up 23,000 one bed and 9,000 two bed lettings for allocation to homeless households or others in need.
- In the South East and East of England, 13,000 four bed and 2,000 social rented homes are needed to alleviate overcrowding in the region. This would free up 15,000 one, two and three bed social rented homes for other households.

We acknowledge that the calculations we have produced make the solution to overcrowding look simpler than it would be in practice. In addition, the SEH data used is from 2003 as more recent figures are not available. Yet we feel that they serve as a useful illustration of both the pattern of the overcrowding problem in the sector and how homelessness target could be served by supply of larger sized homes in the right places.

As well as the need for more family sized social rented homes in order to address overcrowding in the social rented sector, there will also be a need for some additional social rented homes for those who are currently in overcrowded conditions in the private rented sector. We recommend that further analysis is undertaken by the Government to quantify the level of this need.

### **Bringing down the barriers to providing larger homes**

It has been recognised that in recent years too few family sized homes have been built in both the private and social sectors. In London the Mayor's 2004 Housing Requirements Study estimated that over 8,000 units of social housing with four bedrooms or more are required annually for the next ten years, yet on the ground the actual supply is only a few hundred per year.

Some measures have now been taken to increase the proportion of new social rented homes that are three bedrooms or above. For example, the Housing Corporation now assess value for money of grants on a grant 'per-person' basis as well as the previous 'grant-per unit' basis, after criticism that the previous method encouraged the provision of smaller over larger social rented units.

It is important that the barriers to the provision of family sized social homes continue to be identified and tackled. The London Assembly recently released its *Size Matters*<sup>8</sup> report, which explored the issues that incentivise developers to build small units under s106 agreements that sometimes do not meet local need. The report makes a number of best practice recommendations to help boroughs ensure greater delivery of larger homes, including:

- Local authorities should try to ensure that RSLs are involved in negotiations with developers at an early stage so they can influence what is received under s106 agreements
- Borough planning departments should include size and mix policies, based on their housing needs assessments, to calculate the required mix of units in their area, and should set out these requirements in their Unitary Development Plan/Local Development Framework and development briefs for larger sites where appropriate. For instance, the London borough of Hackney requires in its Unitary Development Plan that one third of all new housing should be suitable for families. This has ensured a supply of family sized homes higher than the London average.
- Where boroughs only use unit measurements to calculate the amount of affordable housing in a development consideration should be given to including habitable rooms or floor space as an alternative or complementary measure to secure the required mix.

### **Local Public Service Agreements**

Shelter believes that that Local Public Service Agreements (LPSAs) could play an important role in addressing overcrowding. LSPAs are voluntary agreements negotiated between a local authority and the Government, in which the local authority commits to achieving agreed targets. In return, local authorities receive additional funding and support, and may also be granted extra freedoms and flexibilities.

For example, between April 2002 and March 2005, Tower Hamlet's LPSA included a target to reduce overcrowding amongst council tenants as a key priority. During this period, the number of

---

<sup>8</sup> Size Matters, the need for more family homes in London, London Assembly, June 2006.



households lacking one or more bedrooms reduced from 3,075 to 2,206, a reduction of 28%. Severe overcrowding, defined in this agreement as those lacking 3 or more bedrooms, was reduced from 272 families in 1997 to 30 households<sup>9</sup>. A variety of schemes were used to reduce overcrowding in the borough, a number of which are highlighted as examples of good practice in this document.

### **Regional Housing Strategies**

Regions with significant overcrowding problems should take a regional approach to the issue and develop a regional overcrowding strategy using a strong evidence base. This should be linked to the Regional Housing Strategy and the Regional Spatial Strategy.

Regional work on overcrowding can either be led by an subgroup of the Regional Housing Forum in the region, as in the case of the South East, or can be developed by the most relevant regional subgroup or working group charged with ensuring the delivery of the appropriate number of family sized units for that region.

A good example of how a regionally led approach to tackling overcrowding can produce results is provided by London. The London Housing Board's Housing Strategy for the period 2005–2016 highlighted the need for more social rented schemes catering for the needs of larger families where affordability problems can be most acute. As a result the Housing Corporation has increased the amount of grant for the allocation period 2006-08 so that over 34.5% of new social rented homes will be three beds or larger.

### **Making better use of existing stock**

Whilst it is clear that increased supply of family sized homes will have to be the main solution to overcrowding, making better use of the existing stock can also help alleviate the problem. Increasing mobility within social housing and helping those that wish to move into the private sector can free up both large and small units. Many boroughs are already involved in successful initiatives to make better use of their own stock.

### **Making a difference straight away**

We are pleased that the DCLG are already working with local authorities to gain an understanding of the measurement of overcrowding and how it can be tackled. Immediate action of this sort is required to address the worst aspects of overcrowding.

The DCLG has announced that £21 million is available to London boroughs to spend directly on tackling overcrowding and its causes. Examples given of how this money might be used include buying back Right to Buy homes, grants for extensions and de-conversions and funding for cash incentive schemes aimed at under occupiers. Whilst we welcome any funding aimed at exploring and providing possible solutions, we note that the amount provided will not provide anywhere near a wide scale solution to the problem. Far more funding will be essential in the future to seriously address the problem.

We support the funding of the five sub region coordinators for London who are looking to tackle some of the immediate problems of overcrowding. In particular, we welcome the work that they will be doing to evaluate the incentives required to persuade under-occupiers in social housing to move to smaller units.

In line with the above the DCLG also intend to work closely with the Mayor of London and the ALG to produce a detailed baseline of the problem and compare it with the profile of households in temporary accommodation and the likely availability and size of new social lettings. The intention of

---

<sup>9</sup> p.20, London Borough of Tower Hamlets, Housing Strategy Statement 2005/6 –2007/8.

this is to assess whether more strategic and case-managed allocations could maximize the number of households helped. We feel this is an area worth exploring and we would be interested in knowing the profile of households in temporary accommodation. As noted above, homeless households tend to require the smaller units that overcrowded households are currently occupying. If larger housing is provided then case-managed allocations will be an effective way of freeing up the smaller units for households in temporary accommodation.

### **Cash incentives and reducing under-occupation**

Redistributing under-occupied housing will not by itself solve overcrowding. In the London social sector, where overcrowding is most acute, overcrowded households outnumber under-occupied households by almost two to one. However, many local authorities already successfully provide incentives for households to move to smaller properties or lower-demand areas.

It is not practically or politically possible to propose large-scale redistribution of households, not least because close to 90 per cent of under-occupied homes are privately owned. Government initiatives to bring empty homes into use have been widely welcomed. However there is limited scope for significantly reducing overcrowding through this method.

Whilst most local authorities with overcrowding issues already operate such schemes to reduce under-occupation by social tenants, improvements can be made and research should be undertaken to gain a greater understanding of the requirements of underoccupiers. The DETR's 2002 report *Underoccupation in social housing*, examined the varying approaches to such schemes, and concluded that schemes that rely on incentives, such as payments per room traded down and help with removals are most successful<sup>10</sup>. It also strongly recommended for improved results the use of specialist staff to work closely with under occupiers. This allows a personal trust to be developed alongside a knowledge of the under occupier's needs and preferences, and can help to lower their expectations and lead to compromise on their requirements.

The same report also found that key housing management performance areas such as minimizing void rates and relet times can conflict with attempts to meet the needs of older tenants who want time to consider offers and extended periods for completing any move. Consideration should be given to providing exemptions from such management performance targets to reduce this conflict.

#### *Cash incentive schemes in Tower Hamlets*

The London Borough of Tower Hamlets also run a successful Cash Incentive Scheme that offers public sector tenants in high demand larger properties a grant of up to £30,000 towards buying a home on the open market. This assists residents on modest incomes to achieve their aspirations of homeownership, as well as releasing much-needed homes for rent. Between April 2003 and April 2005 over 160 homes were made available through this route and the authority plans to invest £2.5m to support this scheme in future years.

In addition, in 2004 the council used Homelessness funding from the then ODPM to temporarily offer an enhanced cash incentives of £3,000 for each bedroom given up by under occupiers and greatly increased take up.

Many local authorities operate 'transfer chain' allocations procedures along with cash incentive schemes. In order to maximise the use of stock a 'transfer chain' is created by identifying a chain of social housing tenants waiting to move. For example, Slough Borough Council have a policy of identifying a suitable vacancy to a tenant at the head of a possible chain, often someone willing to

<sup>10</sup> Underoccupation in social housing, Department of Transport and Regions, 2001.

take up a cash incentive scheme to move to a smaller home, enabling everyone in the chain to move on. Whilst this approach can be counter to the aims of Choice Based Lettings as it involves direct lettings it can help make better use of existing stock and local authorities should be encouraged to explore such solutions.

## Widening options for overcrowded households

The discussion paper asks for ideas on widening options for overcrowded households, giving the example of how options have been widened to help people avoid homelessness. The main means of helping people avoid homelessness has been through increased use of the private rented sector (PRS) to accommodate households that may otherwise have been placed in temporary accommodation.

Shelter has been supportive of this type of programme as long as it is genuinely an option and no undue pressure is placed on an applicant to take it up. Yet whilst we believe that for some overcrowded households in some areas a similar approach may be useful, we do not feel that it will offer a wide scale answer, particularly where overcrowding in the social rented sector is concerned.

It is conceivable that some overcrowded households in the social sector, if offered the choice between a potentially long wait for adequately sized social sector accommodation and an immediate offer of a larger home in the PRS, might go for the latter. Indeed this approach would release a social letting for another household.

The main problem with this, as with similar schemes now common under the Homelessness Prevention agenda, is the lack of security and affordability provided by the private sector. Without either of these issues being addressed adequately we feel it is unlikely that many households would opt for such a substantial reduction in their tenancy rights combined with, in many of the areas with the highest levels of overcrowding, a major increase in the level of their rent.

In London where the highest levels of overcrowding are generally found the difference between social rents and PRS rents can be around 400% for similar property. It is likely that for the larger households, who such a policy would be aimed at, it would generally be only those not economically active who would be able to afford such rent levels through Housing Benefit.

Even for households with no realistic prospect of entering the workforce in the near future affordability could be a real issue. The Local Housing Allowance (LHA) is set to replace the current Housing Benefit system in the next few years. This new form of rent assistance has been trialled in 18 Pathfinder areas and provides a published amount that a household can expect to receive, in theory making it easier for claimants to identify affordable accommodation. However, Shelter's research into LHA pilots in the Pathfinder areas has found that it poses particular problems of affordability for households requiring four-bedroom property. Only 12% of advertised four-bedroom property was affordable under LHA rates compared to between 40-45% for one, two and three bedroom properties<sup>11</sup>.

The PRS offers little security of tenure compared to the social sector. Whilst the social sector provides lifetime tenancies, tenants in the PRS generally receive assured shorthold agreements lasting between six and twelve months. Local authorities such as Camden and Colchester have been working with local landlords to incentivise them to offer longer protection of two to three years. This type of approach will be essential if any such option for overcrowded households is to be successful otherwise lack of security will make households very hesitant to move to the private sector.

---

<sup>11</sup> Reynolds, Shelter, The path to success? Shelter's research on Housing Benefit reform: the final report, Oct 06.

## Overcrowding and private sector housing

While overcrowded households in social housing can request a transfer to larger accommodation a similar option is usually not available to the 205,000 homeowners and 124,000 households in the private rented sector that are estimated to be overcrowded<sup>12</sup>. Many homeowners and private renters find that due to affordability issues that they cannot access larger housing. Attention must be given to developing ways of alleviating overcrowding in these private sector homes.

Local housing authorities have a statutory duty to regularly review housing conditions in their area and to address unsatisfactory housing conditions. This intervention potentially includes the use of grants and/or loans to improve accommodation.

With this in mind, it is recommended that:

- Work is carried out to identify existing good practice of local authorities using their housing powers (including grants and loans) to support works to alleviate overcrowding (e.g. loft conversions, extensions etc.)
- Barriers to local authorities using their housing powers for this purpose are identified and possible solutions are identified (including recommendations for amendments to Government policy)
- The Government and Regional Housing Boards should consider whether capital allocations should be made to local authorities specifically to fund works to relieve overcrowding in private sector housing
- Low-cost home ownership schemes should be made more accessible to overcrowded homeowners and private renters who are unable to afford an outright purchase of a suitable home. To facilitate this such schemes should provide a proportion of homes that are suitable for family accommodation.

### *Grants for overcrowded owner occupiers*

Rochdale Metropolitan Borough Council provide Dormer grants to overcrowded owner occupiers for enlarging existing properties to provide two extra bedrooms. The grants cannot be used to provide additional space for bathrooms, kitchens or living space but with 18 applicants for each possible grant, the scheme is in massive demand.

**For further information please contact Mark Thomas, Head of Policy, on 0207 505 2003 or at [Mark\\_Thomas@shelter.org.uk](mailto:Mark_Thomas@shelter.org.uk)**

---

<sup>12</sup> Survey of English Housing figures, 2004-05.

## Annex

**Table 4 – award of priority according to severity of overcrowding in one bedroom property**

|                                | Lowest priority |           |           |           |           |           | Mid priority |           |           |           | High priority |           |           |           |          |           |
|--------------------------------|-----------------|-----------|-----------|-----------|-----------|-----------|--------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|----------|-----------|
| Single adult or couple         | 1               | 1         | 1         | 1         | 1         | 1         | 1            | 1         | 1         | 1         | 1             | 1         | 1         | 1         | 1        | 1         |
| 0-12 months                    | 1               | 2         | 0         | 0         | 1         | 1         | 0            | 0         | 0         | 0         | 0             | 0         | 1         | 1         | 0        | 0         |
| 1-7 Male                       | 0               | 0         | 1         | 0         | 1         | 0         | 2            | 0         | 1         | 0         | 0             | 0         | 0         | 0         | 1        | 0         |
| 1-7 Female                     | 0               | 0         | 0         | 1         | 0         | 1         | 0            | 2         | 1         | 0         | 0             | 0         | 0         | 0         | 1        | 0         |
| 8 - 14 Male                    | 0               | 0         | 0         | 0         | 0         | 0         | 0            | 0         | 0         | 1         | 0             | 0         | 1         | 0         | 1        | 2         |
| 8 - 14 Female                  | 0               | 0         | 0         | 0         | 0         | 0         | 0            | 0         | 0         | 0         | 1             | 0         | 0         | 1         | 0        | 2         |
| 15 + or single adult or couple | 0               | 0         | 0         | 0         | 0         | 0         | 0            | 0         | 0         | 0         | 0             | 1         | 0         | 0         | 0        | 0         |
|                                |                 |           |           |           |           |           |              |           |           |           |               |           |           |           |          |           |
| <b>Bedroom Standard rating</b> | <b>-1</b>       | <b>-1</b> | <b>-1</b> | <b>-1</b> | <b>-1</b> | <b>-1</b> | <b>-1</b>    | <b>-1</b> | <b>-1</b> | <b>-1</b> | <b>-1</b>     | <b>-1</b> | <b>-1</b> | <b>-1</b> | <b>#</b> | <b>-1</b> |

Tables 6, 7 and 8 show the numbers of larger sized homes in the social rented sector that need to be built to rehouse overcrowded households in that sector. These calculations assume no reduction in overcrowding through under-occupation reduction schemes, conversions, extension etc. It shows that many smaller sized units would be freed up for allocation to smaller households in housing need by supply of larger homes. Some rough cost estimates are provided.

We have used available data from the Survey of English Housing to produce three tables for 'London', 'the South East and East' and 'the rest of England'. There are many caveats to these calculations, the tables are meant only to demonstrate that a programme of social housebuilding of the right size and in the right areas would make a significant contribution to solving overcrowding in that sector.

| <b>Table 6 -London Social Rented sector</b> |                      | <b>One bed</b>                   | <b>Two bed</b> | <b>Three bed</b> | <b>Four bed</b> | <b>Five bed +</b> |
|---|----------------------|----------------------------------|----------------|------------------|-----------------|-------------------|
| <b>Size of property currently occupied</b>  |                      | <b>Size of property required</b> |                |                  |                 |                   |
| ↓   | <b>1 bed</b>         | 248,000                          | <b>23,000</b>  | <b>3,000</b>     | <b>0</b>        | <b>0</b>          |
|   | <b>2 bed</b>         | 118,000                          | 125,000        | <b>28,000</b>    | <b>4,000</b>    | <b>0</b>          |
|   | <b>3 bed</b>         | 61,000                           | 59,000         | 69,000           | <b>15,000</b>   | <b>3,000</b>      |
|   | <b>4 bed</b>         | 6,000                            | 7,000          | 10,000           | 8,000           | <b>3,000</b>      |
|   | <b>5 bed or more</b> | 0                                | 700            | 1,000            | 1,000           | 2,000             |
|   |                      |                                  |                |                  |                 |                   |
| Units freed for housing overcrowded         |                      | 0                                | 32,000         | 18,000           | 3,000           | 0                 |
| Units freed for housing other households    |                      | 26,000                           | 9,000          | 0                | 0               | 0                 |
| New units need to build                     |                      | <b>0</b>                         | <b>0</b>       | <b>13,000</b>    | <b>16,000</b>   | <b>6,000</b>      |
| <b>Cost (£millions) 1</b>                   |                      |                                  |                | <b>£1,360</b>    | <b>£1,674</b>   | <b>£627</b>       |
| Total cost per year (over 13 years)         |                      | <b>£282</b>                      |                |                  |                 |                   |
| Total cost                                  |                      | <b>£3,661</b>                    |                |                  |                 |                   |

**Table 7 - South East and East Social Rented sector**

| Size of property currently occupied      |               | One bed                            | Two bed | Three bed | Four bed | Five bed + |
|--|---------------|------------------------------------|---------|-----------|----------|------------|
|  |               | Size of property actually required |         |           |          |            |
|  | 1 bed         | 253,000                            | 5,000   | 0         | 0        | 0          |
|  | 2 bed         | 151,000                            | 95,000  | 10,000    | 0        | 0          |
|  | 3 bed         | 105,000                            | 90,000  | 78,000    | 13,000   | 2,000      |
|  | 4 bed         | 5,000                              | 2,000   | 8,000     | 4,000    | 0          |
|  | 5 bed or more | 0                                  | 0       | 0         | 1,000    | 1,000      |
| Units freed for housing overcrowded      |               | 0                                  | 10,000  | 15,000    | 0        | 0          |
| Units freed for housing other households |               | 5,000                              | 5,000   | 5,000     | 0        | 0          |
| New units need to build                  |               | 0                                  | 0       | 0         | 13,000   | 2,000      |
| <b>Cost (£millions) 1</b>                |               |                                    |         |           |          | £605       |
| Cost per year over 13 years              |               |                                    |         |           |          | £93        |
| Total cost                               |               |                                    |         |           |          | £54        |
|  |               |                                    |         |           |          | £698       |

**Table 8- Rest of England Social Rented sector**

| Size of property currently occupied      |               | One bed                            | Two bed | Three bed | Four bed | Five bed + |
|--|---------------|------------------------------------|---------|-----------|----------|------------|
|  |               | Size of property actually required |         |           |          |            |
|  | 1 bed         | 670,000                            | 11,000  | 0         | 0        | 0          |
|  | 2 bed         | 556,000                            | 250,000 | 24,000    | 1,000    | 0          |
|  | 3 bed         | 397,000                            | 310,000 | 240,000   | 31,000   | 3,000      |
|  | 4 bed         | 14,000                             | 13,000  | 21,000    | 12,000   | 4,000      |
|  | 5 bed or more | 1,000                              | 1,000   | 1,000     | 2,000    | 1,000      |
| Units freed for housing overcrowded      |               | 0                                  | 25,000  | 34,000    | 4,000    | 0          |
| Units freed for housing other households |               | 11,000                             | 14,000  | 10,000    | 0        | 0          |
| New units need to build                  |               | 0                                  | 0       | 0         | 28,000   | 7,000      |
| <b>Cost (£millions) 1</b>                |               |                                    |         |           |          | £1,475     |
| Total cost                               |               |                                    |         |           |          | £369       |
| Total cost per year (over 13 years)      |               |                                    |         |           |          | £1,844     |
|  |               |                                    |         |           |          | £142       |

**Table 9 – Total new build required, property released and cost**

|   | Need to build | Freed up for use with non-overcrowded households |
|---|---------------|--|
| 1 bed   | 0             | 42,000   |
| 2 bed   | 0             | 28,000   |
| 3 bed   | 13,000        | 15,000   |
| 4 bed   | 57,000        | 0  |
| 5+  | 15,000        | 0  |
| <b>Total</b>                                  | <b>85,000</b> | <b>85,000</b>                                    |
| <b>Cost per year over 13 years (millions)</b> | <b>£477</b>   |  |
| <b>Total cost (millions)</b>                  | <b>£6,203</b> |  |

