

London Assembly Housing Committee – 15 March 2018

Transcript of Item 4 – Overcrowding in London Homes

Sian Berry AM (Chair): Our main item for the day is overcrowding in London's homes. We are looking particularly at the social and private rented sectors today.

Can I welcome our guests? We have John Lumley, who is the Director of Regeneration from the London Borough of Hackney. We have Amanda Amafor, who is the Senior Environmental Health Officer for the London Borough of Newham. We have Ijay Onyechi, who is the Head of Lettings, Residents Services, at Peabody Housing Association. We have David Beach, who is the Head of Selective Licensing and Regulation from the London Borough of Waltham Forest. Finally, we have James Gleeson, who is here for the first part of our discussion. He is a Senior Policy Officer from the Greater London Authority (GLA) Housing and Land team. Thank you for coming, everybody.

We have been discussing overcrowding quite a lot in the context of the London Plan and the London Housing Strategy, and one of the first questions we have for James initially is about data. Can you outline for us what the available data tells us about overcrowding in London and any recent trends that we should know about?

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): The first thing to say is that there is no single widely accepted measure of overcrowding. We have a number of different measures, each of which has its own strengths and weaknesses. That is for a number of reasons.

Probably the first reason is that measuring overcrowding always involves some measure of judgement, usually a comparison of the conditions that households live in with some sort of normative threshold that we think is acceptable or beyond which overcrowding is unacceptable.

The second reason is that it is very hard to measure because to know whether a household is overcrowded you have to understand the characteristics of that household and also the characteristics of the accommodation it has available to it. That is not possible without either carrying out a direct inspection or surveying the household to ask them. That is inherently expensive. As a result, we have a mixture of data from the Census, which is carried out every 10 years and covers every household in the country, and sample surveys like the English Housing Survey, which is carried out every year but only interviews a sample of households.

Broadly speaking, there are four measures of overcrowding. One of them is the statutory measure of overcrowding, but actually it is not really used to measure overcrowding, strangely enough. It was introduced in 1935 and, even then, it was considered by some to be inadequate or too generous. Without going into too much detail - but I can if you like - it involves two standards. The first is the room standard, which is reached if two people of opposite sexes who are not living together as husband and wife have to sleep in the same room. However, children under 10 are not taken into account, and living rooms and kitchens can be treated as available sleeping accommodation. There is also the space standard, which specifies the maximum number of people who can sleep in a dwelling according to the number of rooms available and the floor area of each room. Babies under one year do not count at all and children under 10 count for half a person. There is a complex formula used to assess whether that standard is breached. As I say, that statutory definition is not actually used these days to estimate levels of overcrowding. The last time it was used or the last estimate I am

aware of was in the late 1990s when the then Government estimated there was around 25,000 households overcrowded in England, according to that definition. It shows you how tight that is.

The second definition I would mention is from the Census and it is quite simple. It basically divides the number of people in a household by the number of rooms available to it, and it calculates the number of persons per room. Bathrooms, toilets, halls, landing and storage spaces are excluded from the counted rooms. Households with more than one person per room are counted as overcrowded and households with more than 1.5 persons per room are considered to be severely overcrowded. It is quite a simple measure and the good thing about it is that it is available over a long stretch of time, and so we have estimates going back to 1931 in London. It is also available for very small geographical areas as you can look at overcrowding in an individual neighbourhood. The disadvantage is, obviously, that the Census is carried out only every 10 years. The next one will be carried out in 2021 and we will not have results until probably late 2022, I would say. It is the only source of information on sub-regional overcrowding levels that we have.

The next measure is one that is used quite widely at the moment and it is called the bedroom standard. It was developed in the 1960s for use in household surveys by the Government. What it does is it calculates the number of bedrooms required by each household according to the composition of that household and the relationships between the people in it. It says that a separate bedroom is required for every married or cohabiting couple, anyone else aged 21 or above, each pair of adolescents aged 10 to 20 of the same sex, each pair of children under 10 whether they are of the same sex or not, and then any unpaired person aged 10 to 20 unless they could be paired with a child under 10 of the same sex. Sorry, this is probably too much detail. Anyway, it compares that number of bedrooms required --

Nicky Gavron AM: What about babies?

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): Sorry?

Sian Berry AM (Chair): Sorry. The question was: where do babies come into that?

Nicky Gavron AM: Is a baby half a person or a whole person?

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): No, it is a whole person in this case, which is --

Tony Arbour AM: That is a philosophical --

Nicky Gavron AM: Is it counted as being with its mother or parent?

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): As far as I can tell, it is counted separately.

Nicky Gavron AM: Do they have to share a bedroom if they are under one?

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): No, I don't think so. Any child under 10 can share a bedroom with another child or with an adolescent of the same sex aged 10 to 20, but babies are not expected to be able to share bedrooms with parents. Maybe in practice there is some flexibility on this - I do not know - or some parents might not --

Nicky Gavron AM: I thought, if they were under one, they were uncounted, so to speak, but I might have had that wrong.

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): I can check that out.

Sian Berry AM (Chair): We can follow up with some questions at the end. You were going to go through four different measures. Is the bedroom standard the third one? Is there another one to come?

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): The bedroom standard is the third one, yes. There is one to go. The last one is called the occupancy rating. The Office of National Statistics developed that for use in the Census because there is a final detail on the bedroom standard that I did not mention, which is that any bedroom with a floor area of less than 50 square feet – quite small – is discounted and is not included in the count of bedrooms. The Census has never collected any information on the size of rooms and so you cannot use the bedroom standard on Census data. What the Office for National Statistics did was to come up with its own formula, which is quite similar to the bedroom standard but does not have this extra clause. It gives you a different number of overcrowded households. Again, it is available only every 10 years. That is it.

Sian Berry AM (Chair): Great. Can I ask your opinion, then? On all that different data, you have outlined what is collected when. How useful is it and can you tell us a little bit more about the English Housing Survey and how that is used? I believe that is what the Mayor has been using.

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): Yes, that is what we mainly use to measure overcrowding, especially when we are between Censuses, as we are now. I would say the bedroom standard is particularly useful, mainly because it can be measured from the English Housing Survey, which collects a lot of other details about households and the homes they live in. For example, we can compare overcrowding rates for households of different sizes. Unsurprisingly, they are higher for larger households. We can compare overcrowding rates by ethnicity. We know that, for example, black, Asian and minority ethnic (BAME) households tend to have higher overcrowding rates in London. We can look at the relationship between overcrowding and income and, again, there is a very strong relationship.

Sian Berry AM (Chair): What is the sample size for the English Housing Survey for London in that much detail?

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): It is in the region of 2,000 households a year.

Sian Berry AM (Chair): Within that, you can tell us age, ethnicity and tenure? I have seen an age and tenure split, actually, at one point.

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): Yes. It becomes less reliable as you dig down. What we do is we combine the most recent three years of data and so that effectively gives you a sample of 6,000.

Sian Berry AM (Chair): Yes. Assembly Member Boff, you have some more questions?

Andrew Boff AM (Deputy Chair): Yes, please. The most recent English Housing Survey data actually shows a decline in overcrowding in the rented sectors. Does this reflect, first of all, your understanding of the data,

Mr Gleeson, and then, for our guests, whether or not that is your experience? Mr Gleeson, does that reflect the statistics that you are seeing?

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): We have seen a little bit of a decline from the peaks in overcrowding that we were seeing in 2010/11. It is not a very big decline and we are still higher in terms of the overall overcrowding rate in social housing and in private renting than, say, 20 years ago. In 1995/96, 10% of social renting households in London were overcrowded, according to the bedroom standard, and now it is about 13%. There has been a really significant increase in overcrowding in the private rented sector (PRS) from about 6% to about 11% over that same period. Even though we have seen a bit of a decrease in the last couple of years - and I would stress that that is at the London-wide level and so there have probably been increases and decreases in different parts of London - we are still higher than we were 20 years ago.

Andrew Boff AM (Deputy Chair): Does the net increase in private rented accommodation go down to the fact that there is more dependency upon private rented accommodation, or are we to see it actually worsening in private rented accommodation?’

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): It is actually worsening in the PRS. It has gone up as a percentage of the total PRS, even though the sector as a whole has been growing.

Andrew Boff AM (Deputy Chair): Can I ask the other guests if it is your experience that there may have been a gentle decline or a slight decline since 2011? Is that the case, Mr Lumley?

John Lumley (Director of Regeneration, London Borough of Hackney): It is very hard to say with any degree of certainty for a similar reason we have just touched upon, which is the difficulty of establishing a reliable dataset.

The other big point to bear in mind is that none of those datasets will give you an indication of the level of hidden homelessness that is in place, the amount of informal sharing, the amount of reliance on *ad hoc* arrangements that are not tracked in that formal way. In our anecdotal experience, it is increasing, and so that would paint a very different picture.

Andrew Boff AM (Deputy Chair): As a Committee, we are quite recently familiar with the hidden homelessness subject. We have just published a report on that. Ms Amafor, do you see a decline?

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): No, I do not see a decline. One of my main duties is to carry out inspections in the PRS with regard to the licence conditions. From my experience over the past five years, there has not been a decrease and it keeps increasing. Now we are finding 15 to 20 tenants residing in a three-bedroom property. With the introduction of licensing, we are able to target these properties and take enforcement action to ensure that landlords comply with their licence conditions and do not allow their properties to be overcrowded.

Andrew Boff AM (Deputy Chair): You would say that you are seeing an increase in overcrowding?

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): Yes.

Andrew Boff AM (Deputy Chair): Ms Onyechi, what about you at Peabody?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): For Peabody, I cannot say that there has been a decline. Yes, I would not say there has been a decline. What I would say is that, for those who are overcrowded, there is not a willingness to move even where stock has been identified. It is very difficult to actually find where to move them to because the homes that are being built are not -- we do not have a lot of three-beds or four-beds or five-beds.

Nicky Gavron AM: Exactly.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Therefore, there has not been a decline. For some people, they are on the waiting list, they are made offers and they are taken off and --

Andrew Boff AM (Deputy Chair): I am not going to put words in your mouth but, just to clarify what you said, you are saying that the three and four-beds are not being built. Is that correct? I do not want to --

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Because I manage lettings and rehousing and I have the opportunity to see new developments that have come in, with all the new developments that are coming in there seems to be a higher proportion of one and two-bedrooms as opposed to three and four in the pipeline. For me, I then wonder, if you house the one and two-beds now, five or seven years down the line their household makeup will increase. Where are you going to move them to? That is just a personal observation, looking at what it is that we manage and the stock that we have.

Andrew Boff AM (Deputy Chair): Thank you for that. Mr Beach, is your experience similar?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): The other angle on this is houses let out for multiple occupation (HMOs). It is not really touched upon here, but that really is putting a squeeze on three, four and five-bedroom properties because that leads to overcrowding as well, lots of problems with things like rent-to-rent scams, subletting and that kind of thing.

The standards we have talked about that James mentioned are mostly spatial standards, but there is also an issue in terms of overcrowding and in terms of amenities there, with 10 to 15 people in a property with just one kitchen, one bathroom and that kind of thing. Although Waltham Forest - as with Newham - has quite restrictive policies in terms of HMO accommodation, we are finding that the problems of illegal HMOs are pretty epidemic, really.

Andrew Boff AM (Deputy Chair): I was about to say that it is a legal requirement for HMOs to register anyway - is that correct - all throughout London?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): Yes, and have the necessary planning permission as well.

Andrew Boff AM (Deputy Chair): Your experience is that, as much as there may be a decline, it has not been a massive one and some people are experiencing an increase. How do you measure overcrowding to inform your local policies with regard to that?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): Again, James touched upon it. It is quite difficult. Even with the bedroom standard, for example, although the standard talks about sharing and so on, unlike the very outdated Part 10 [of the Housing Act 1985] overcrowding standard, there are no standards stipulated in the bedroom standard in terms of what a double bedroom looks like or what a single bedroom looks like, for example. Again, there is a further disconnection.

Our main enforcement tool in terms of overcrowding at the moment is probably our Part 1 [of the Housing Act 2004] Housing Health and Safety Rating System powers and, again, there is different guidance on what we should do there, really. It is something we do come across in terms of the inspection. We do not have any definite figures on it, but I would agree with my colleague from Newham that there is certainly no evidence of it being a small problem. It is a big problem, really.

Andrew Boff AM (Deputy Chair): For example, when Peabody comes to talk about future builds and stuff, how do you measure the demand for larger properties to cope with overcrowding? How do you measure that?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): In terms of measuring for our residents, we use the bedroom standard, but when you talk about for future deals, for most new builds, 100% goes back to the local authority anyway. Any overcrowding within my current residences is not actually regarded. It is not important in terms of the development and the builds that are happening. When you are a Peabody tenant in your house and you become overcrowded, what we use is the bedroom standard. Our data shows that, when you think of our general need stock, which is about 41,000, we have about 6.7% of our homes overcrowded. We have key boroughs that have high levels of overcrowding and they are mostly the central boroughs.

Going back to your question, in terms of councils and building, it does not really matter, our internal data, because allocations will come from the borough and 100% of all the homes will be given back to the councils to house people off their lists.

Andrew Boff AM (Deputy Chair): That is interesting. I will come back to that on a later question. I find that allocation policy quite interesting. Ms Amafor, if Newham councillors came to you and said, "How overcrowded are we", how do you measure that and present that case?

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): I am aware that they use what they call the Index of Multiple Deprivation and the system to measure that, but I am not fully aware about the details of this and so we will write you about more details. We also get other information from the data we collect from licensing. Through our licensing visits, we also make a note of how many are in the properties we have visited and found to be overcrowded. For future purposes, for our new licensing scheme, we intend to inspect all the properties that we are licensing and, in future, that will give us stronger data about what proportion of our properties in Newham in the PRS are overcrowded.

Andrew Boff AM (Deputy Chair): That gives you a view of private rented accommodation. What about in the housing stock itself in Newham?

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): I believe for the housing stock they probably use this Index of Multiple Deprivation, but we can write to you about that. I do not have that information on hand.

Andrew Boff AM (Deputy Chair): That is fine. Thank you very much. Mr Lumley, in terms of Hackney, what kind of measure do you use?

John Lumley (Director of Regeneration, London Borough of Hackney): There are three parts to it. The first is using the Census data as a baseline. We then supplement that with our own localised housing need surveys, carried out every few years. Then the third element is very similar to the point just made, which is that we have commissioned a comprehensive stock-modelling exercise to underpin or to provide the evidence base for the proposed introduction of discretionary licensing schemes.

Andrew Boff AM (Deputy Chair): Do you think a London-wide method of data collection would be useful in getting a clearer picture in the capital as a whole?

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): It is difficult to say because of the expense of carrying out this kind of survey. Mr Lumley mentioned the surveys that Hackney does. I do not know how costly that is, but, from my experience, for a single borough to carry out a survey with a big enough sample in their area to give reliable results is quite a significant expense. Although it would be great to have that kind of data, it is difficult to say that it is the right way to spend that much money at this moment.

Sian Berry AM (Chair): Can I ask? Does the expense scale -- is most of the expense organising it, planning it and hiring the people to do it, or is it because there are quite intensive data collection methods involved and, if you do more of it, it just costs more? I am trying to work out if there are economies of scale here, basically.

James Gleeson (Senior Policy Officer, Housing and Land, Greater London Authority): There is a little bit of economies of scale. If it was a consistent questionnaire and if there was a consistent sampling method, then you would get some economies of scale. The sample that you need to give significant results at the London-wide level for each borough would be very large. I am not going to try to estimate it.

Really, the expense is in carrying out the surveys. It is in paying people to go and survey households in their homes to the requisite level of detail. You need professional surveyors. It is not particularly fast. Response rates to surveys in London are not super-high. You need to go back to some addresses multiple times before you get a response. It is just inherently very expensive work.

Sian Berry AM (Chair): Is that the methods you use in Hackney?

John Lumley (Director of Regeneration, London Borough of Hackney): Just in relation to the question in terms of whether an accurate picture would be helpful, there is probably a yes and a no answer.

Andrew Boff AM (Deputy Chair): Great!

John Lumley (Director of Regeneration, London Borough of Hackney): Yes, a more accurate, more detailed and more up-to-date evidence base is helpful, particularly if you believe in evidence-based policymaking. Also, no, because to a certain extent we can probably tell you what that survey will say, and that survey will say that there are lots of people who are overcrowded. That will not necessarily help. What will help is focusing on what the solutions might be to address that problem of overcrowding. We can spend a lot of time getting into the nitty-gritty of exactly how many people are overcrowded and in what particular circumstances, but, if the objective is to try to address that problem and to reduce levels of overcrowding, what we need to do is to build more homes.

Andrew Boff AM (Deputy Chair): I was about to say that you are preaching to the choir.

John Lumley (Director of Regeneration, London Borough of Hackney): Yes, we appreciate that.

Sian Berry AM (Chair): We also want to scrutinise the data.

Andrew Boff AM (Deputy Chair): I can understand that there might be some drawbacks with trying to struggle to get a common standard, but there is no serious measure that says we are not overcrowded, is

there? There is no serious measure out there or serious opinion saying that, actually, we do not have an overcrowding problem? There is nothing there, no detractors from that? Everybody agrees that, faulty though the evidence may be, there certainly is not any evidence to suggest that there is not a massive overcrowding problem. Is that fair to say? OK.

Sian Berry AM (Chair): My one question is: do any of you have a sense of where most of the overcrowding lies? Is it families squashing into studios, one-beds and smaller homes being squeezed at that end, or is it more that bigger homes are filling up with maybe multiple families? Does that make sense? Do any of you have a sense of which side of things is the worst?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): It is probably both but larger houses being used for multiple households is a significant problem. If a landlord knows they can get an extra £1,000 or £1,500 a month by listing it out as multiple units, they are going to go down that route.

Andrew Boff AM (Deputy Chair): Of course, that area is under the control of the local authorities' planning policies?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): It is. It is just that the planning processes are so slow --

Andrew Boff AM (Deputy Chair): Exactly. In a perfect world --

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): -- and the thing is so fast moving, just trying to keep up and obviously it is very resource-intensive enforcement-wise as well.

Andrew Boff AM (Deputy Chair): Of course, yes.

Sian Berry AM (Chair): What about in social housing?

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): It is totally different because it is the smaller homes and through natural growth and that is how overcrowding occurs. For my one-beds and two-beds, not as much as three-beds, they are now overcrowded by two bedrooms and over and they need bigger homes. It is the smaller homes. They are growing and there is nowhere to go to, really.

As my colleagues have said, it is the bigger homes that are being used as HMOs that are more overcrowded. It is not just the renting of rooms. It is also the renting of bed spaces. We have people coming in the morning and staying in the property during the day and other people coming in at night. We have that. That is what is going on. We may have regulation of the HMO sector, but it is not just having the licensing scheme to regulate, we need to go out there and see the properties and what is actually going on to be able to determine how to deal with it.

Sian Berry AM (Chair): And Hackney?

John Lumley (Director of Regeneration, London Borough of Hackney): Social rented homes remain the area where there is most overcrowding, but we are seeing a general shift over time towards increased levels of overcrowding in the PRS. That is just because demand is increasing so rapidly. The sector doubled in size over the last 10 years.

Andrew Boff AM (Deputy Chair): That is your Hackney experience?

John Lumley (Director of Regeneration, London Borough of Hackney): That is the Hackney experience.

Andrew Boff AM (Deputy Chair): In other areas, private is more than social. It is interesting that there is that difference.

John Lumley (Director of Regeneration, London Borough of Hackney): Yes, and within the social rented sector, overcrowding disproportionately affects three main groups. It is families with dependent children, lone parents and also residents from BAME backgrounds.

Sian Berry AM (Chair): Thank you.

Nicky Gavron AM: I just wanted to ask and I do not know who should answer this. In the London Plan, the interpretation of the Strategic Housing Market Assessment (SHMA) anyway, seems to be that we need more one-bed and two-bed flats and that we are going to lose -- well, it is not only family housing that is going to be lost or less family housing being built in the social rented sector, but also the presumption in favour of small sites allows the larger homes to be divided up. It is predicated to a certain extent on multiple households sharing larger family houses being able to go into separate one and two-bed flats. I just wonder whether people have a view on that. Do you think those families that are sharing or households that are sharing in larger properties would, if the supply was available -- it is one and two-bed supply, mainly one-bed. Do you think they would move out and form smaller households in one-bed flats or two-bed flats?

John Lumley (Director of Regeneration, London Borough of Hackney): It comes back to affordability, I would have thought.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): It depends on the costs. It is based on affordability.

John Lumley (Director of Regeneration, London Borough of Hackney): Yes, the interrelationship between the current welfare reforms and housing affordability. The extent to which residents are incentivised to downsize to different properties would depend, on a case-by-case basis, how that affects their individual finances in relation to the benefit cap and their ability to claim the Housing Benefit element of Universal Credit and so on. It is quite a complex calculation. Again, a potentially helpful answer of "possibly", but it will depend on a case-by-case basis.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): From someone who deals with this on a day-to-day basis, the way to look at it is, if a home is overcrowded, even if it is a large home, when you are building one and two-bedroom homes for people, then you are presupposing that the adult members -- you would have to be an adult member to be able to go to a one-bed home and you have to be able to afford it. If you think of the fact that you could have, say, a couple with five children in a two-bed home, you are going to have to wait till the oldest child is about 21 or 25, can afford a home, can rent that home, and these are the homes you are building for those people. To my mind, it is not logical to say that you are building those homes so that these family members who are overcrowded now can move into those one and two-bed homes.

Tom Copley AM: Sorry, building the one and two-bed homes, do you mean?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Yes, the one and two-bed homes they are building for the families that are currently overcrowded because most overcrowding for the social housing sector is from children. It is from natural growth. If you think about it, if I had three children and they were 7, 9 and 11, I would have to wait how many years for one of them to get a job and then move into one of these one and two-bed homes that we are hoping will ease overcrowding.

Tom Copley AM: Sorry. Is there another issue as well? Let us say that that happens and that 21-year-old moves into a one-bed flat. Then they have children and suddenly they are overcrowded.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Overcrowded, yes.

Tom Copley AM: Where do they move to?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Exactly.

Nicky Gavron AM: Can I just ask one thing? Can I ask Peabody? In those one-bed flats you are talking about, you said that there are not the bigger flats for people to move into or the houses, and you say there seems to be a preponderance of one and two-beds being built. Who are the client group for the one-beds?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): That is a question that will probably be best answered by the local authorities because, like I said, 100% of the homes that are new builds, unless there is a local lettings plan, will go back to the boroughs. The housing need, as far as we understand it, is determined by the borough's housing needs and demand. A local authority should tell you and say, "We need a preponderance of one and two-beds because our transfer lists say that only one or two-bed people need to be housed". It is led from the local council and they are the ones that will give you people to accommodate those homes that have been built.

Nicky Gavron AM: I ask the question because we were told at a previous meeting by London & Quadrant that the client group for a one-bed flat was a single parent with a child.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): I see. That is where registered providers are probably different. If we are looking at bedroom standards, a one-bed flat for Peabody would not go to a single parent. We would be looking for a two-bed home for a single parent like a lady with a child. We would not give you a one-bed because you are already starting to overcrowd with the first signing of the tenancy.

Nicky Gavron AM: Thank you.

Sian Berry AM (Chair): This goes on to our next section.

Andrew Boff AM (Deputy Chair): Yes. Talking about the way in which we are tackling overcrowding, it is a bit out of sorts but I will come back to you, if I can, Ms Onyechi, because of what you said about how 100% of your allocation going to the local authority. This Committee back in [March] 2011 did a report about overcrowding [*Crowded Houses*]. One of its recommendations is that social housing providers should be able first to sort out their internal mismatches before they then offer the void property to the local authority or to the housing waiting list. That sounds like you do not do that and that it goes straight to the borough. Is that correct?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): For new properties, where a new development has been built, a new Peabody development in a local authority, say in Westminster, 100% of all those homes will be offered to the local authority.

Andrew Boff AM (Deputy Chair): Not 100% of all voids?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): No.

Andrew Boff AM (Deputy Chair): If you do get a void?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): If we do get a void, depending on how the void was created, a percentage would go to the local authority and a percentage would be kept by us to administer our local waiting lists.

Andrew Boff AM (Deputy Chair): All right, yes. Perhaps I should ask. Does overcrowding have a priority within your allocations policy?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Right now, overcrowding is the fourth highest in priority on our allocation list, but, to put that in a bit of context, we have nine bands and overcrowded is band 4. We have 270 households in bands above overcrowding, and these are people that have presented themselves as overcrowded.

Andrew Boff AM (Deputy Chair): There are 270 people above overcrowded?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Above the overcrowding band.

Andrew Boff AM (Deputy Chair): Vulnerable adults?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): It would be your management transfers and your medical priority ones and your decants when we have to move you due to statutory work or something. Those are the three bands above overcrowding.

Andrew Boff AM (Deputy Chair): There are 270 people in those categories at the moment?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Yes, above.

Andrew Boff AM (Deputy Chair): You do not have 270 vacant properties, have you?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): No, we do not.

Andrew Boff AM (Deputy Chair): Mr Beach, could I ask whether or not you do allocate a priority in Waltham Forest with regard to overcrowding?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): I do not really deal with the housing side of things and so --

Andrew Boff AM (Deputy Chair): That is fine. Environmental health will go to you.

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): Yes, I do not deal with--

Andrew Boff AM (Deputy Chair): Mr Lumley, do you allocate priority to overcrowding?

John Lumley (Director of Regeneration, London Borough of Hackney): Yes, we do.

Andrew Boff AM (Deputy Chair): We have heard that it is quite high, actually. Number 4 is high when you look at what is above it. How high is that priority compared to others?

John Lumley (Director of Regeneration, London Borough of Hackney): It is a points-based system and so it depends on the other aspects of the household and whether or not they qualify under any of the other criteria that we have in our allocations and lettings policy.

Andrew Boff AM (Deputy Chair): When you get a vacancy or a void, do you do an exercise of seeing who, of your existing tenants, would best fit that void or do you go straight to the housing waiting list to allocate?

John Lumley (Director of Regeneration, London Borough of Hackney): We do two things. The first is that we do run a scheme prioritising or incentivising those who wish to downsize. If there is nobody suitable that qualifies under that scheme, then we would, under our choice-based lettings policy, allocate the scheme to whomever is the highest priority.

Andrew Boff AM (Deputy Chair): Off the waiting list?

John Lumley (Director of Regeneration, London Borough of Hackney): Yes.

Andrew Boff AM (Deputy Chair): That waiting list would include people who are currently housed by you and so the waiting list can be your tenants?

John Lumley (Director of Regeneration, London Borough of Hackney): That is right.

Andrew Boff AM (Deputy Chair): Has the priority changed in recent years or has it remained quite the same?

John Lumley (Director of Regeneration, London Borough of Hackney): I am not aware of any significant or notable shifts in the last couple of years.

Andrew Boff AM (Deputy Chair): OK. This is an interesting question. It may offend some people. I do not mean to. Do some people choose to be overcrowded and, if so, why? Anyone? Any takers?

John Lumley (Director of Regeneration, London Borough of Hackney): There are circumstances where households that are overcrowded choose not to move to an alternative property. That is partly for the reasons that we touched upon earlier in terms of how that would affect their personal financial circumstances because of the way in which the alternative accommodation would interact with recent welfare reforms.

A couple of other factors to consider are also the potential risk that their tenancy conditions may be altered as a result. Although we have not had the statutory instrument laying regulations for fixed-term tenancies under the Housing and Planning Act [2016], there is a nervousness amongst residents in the social sector that that might be introduced and, by moving from existing property to an alternative property that might be more

suitable for their needs in terms of the number of bedrooms available, they may have to accept a fixed-term tenancy which is less favourable.

Andrew Boff AM (Deputy Chair): I see. Yes, a fixed-term tenancy.

John Lumley (Director of Regeneration, London Borough of Hackney): The third element, which is much more difficult to evidence, is the emotional attachment that residents have to their homes. We made the point earlier on about evidence-based policymaking, which is very important, but, ultimately, we should not also underestimate the extent to which residents have an emotional attachment to their homes and that might influence their decision-making in terms of whether or not they choose to accept the offer of an alternative property.

Andrew Boff AM (Deputy Chair): It is interesting that an emotional attachment to a home could override what most people realise can be a very damaging environment for children to be brought up in.

John Lumley (Director of Regeneration, London Borough of Hackney): It applies more often in cases of those who are under-occupying in terms of offers of alternative accommodation. Even where there are financial incentives attached, that can override that offer. There are cases where it plays out in terms of overcrowding as well.

Andrew Boff AM (Deputy Chair): I am sorry, yes. I misunderstood. You are saying that that is predominantly for people who are under-occupying and not moving, but they are not choosing to be overcrowded?

John Lumley (Director of Regeneration, London Borough of Hackney): No.

Andrew Boff AM (Deputy Chair): They are choosing to be undercrowded. Ms Onyechi, has your policy changed recently with regard to overcrowding or has it remained the same?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): With regard to overcrowding, that is why people felt we should -- it is the fourth-highest band, really, that you can get. In reference to your question, I do not think people choose to be overcrowded but, when we try to move people, what we find is that affordability is such a big issue for people. You would be surprised. The rent values are not that different from a two-bed to a three-bed, if you think about it, but £10 a week every week, then the council tax bands if you are moving them out of the borough, then the transportation to schools for their kids. It is very little incremental things and, when they add up, they are like, "You know what? Maybe we should wait".

Again, for those who have grown-up children, sadly, there is that concept that when my adult son or daughter wants to move out, they are probably not even going to get priority with the local council. If they are able to get a home because they are overcrowded -- because most of us now have schemes where, to relieve the overcrowding, your adult child would be offered a home within our stock just so that we can relieve your overcrowding. You do have one or two people saying, "My child is 16. If I wait two or three years, they will qualify for this scheme and will be housed and will not have to go via the local authority". It is not a general opinion, but you also have a bit of that.

Then local support and the networks are such an integral part to people. Most of the time, the homes that are probably affordable are not necessarily within their local boroughs. It is like, "We will just stay where we are and just keep managing".

Andrew Boff AM (Deputy Chair): Of course, the arguments are that, certainly in inner London, that is where you are building the one and two-bedroom flats, I suppose. Nicky, did you want to come in?

Nicky Gavron AM: Could I just ask, just following up from what you just said? If there was a family with this 16-year-old, when the 16-year-old was whatever age - I did not know, 19 or 20 - would you then offer them a single one-bed flat on the same estate?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Not on the same estate. I could not guarantee that, but, as part of our priority bands, we do have a scheme where to relieve overcrowding we will offer your adult child a home.

Nicky Gavron AM: Whereas you were saying earlier that you are concerned by the one and two-beds because it means you cannot transfer overcrowded families into three or four-bed flats, but you can alleviate some overcrowding by --

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Yes, but that is within our voids, not within our new builds. I was talking about new developments.

Nicky Gavron AM: I see. It has to be voids?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Yes. If you are building new homes, we do need one and two-beds, but let us not ignore the fact that the larger-sized homes are also required. I am just saying that there has been, it appears, a slight decline to the number of larger-sized units that are coming through in the pipeline.

Nicky Gavron AM: Yes. We sort of know why, I think.

Andrew Boff AM (Deputy Chair): Ms Amafor, have you encountered people who choose to be overcrowded or is there anything --

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): No. The people I encounter do not choose to be overcrowded. They just find themselves in that situation where there are rising accommodation costs which are not keeping up with the amount of earnings the family brings in each week. I have come across families and couples with two or three children residing in one room in a house, basically because they cannot afford even a one-bed flat for them to properly be able to live comfortably. They find themselves in shared accommodation. There are also tenants who do not have recourse to public funds and so they cannot, again, seek assistance from the local authority to help them with any conducive accommodation.

Andrew Boff AM (Deputy Chair): Mr Beach, have you encountered people who --

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): In terms of people deliberately overcrowding themselves, but they probably would not recognise it themselves, if I could put it that way. Again, it comes down to the economics and the affordability and multiple families sharing the same property just to be able to afford the accommodation. That is something that has changed in the PRS in the last 10 or 15 years. Whereas before it was pretty much single people saving up before they could afford accommodation, now there are very regularly families trapped in accommodation. I recently inspected a property with a family of six occupying one room, for example. That is just the housing crisis where we are, really.

Andrew Boff AM (Deputy Chair): It is a bit like saying, "I choose not to live in Chelsea". It is hardly a choice! Thank you very much.

Leonie Cooper AM: I choose not to live in Chelsea as well, but I have lived in South Chelsea.

I was really interested in what you were saying, John - that you think that when the regulations are laid, the fixed-term tenancies might actually act as a disincentive to people to move - because I thought one of the reasons for introducing the fixed-term tenancies was possibly to try to assist with solving the problem of overcrowding because a family would be in a particular location for only two years and might then move somewhere to a more appropriately sized house.

Do you not think that fixed-term tenancies would assist with dealing with overcrowding?

John Lumley (Director of Regeneration, London Borough of Hackney): I understand the logic of fixed-term tenancies, increasing the churn rate and, therefore, generating additional voids and so on. However, there is, firstly, a question about whether it would or not would be applied retrospectively and then, secondly, there is that point about it acting as a disincentive to the individual tenant, detached from that high-level objective that means that tenants are not going to choose to move from a home where they have a lifetime tenancy paying a fixed level of rent to an alternative tenancy where it may also involve changing the rent levels from target rents to affordable rents, for example. Actually, the implementation of a policy which has a logic to it becomes very difficult in reality or could become very difficult in reality.

Leonie Cooper AM: I can see some nodding. A similar scheme, which was touted as this when it was being introduced, was the bedroom tax or under-occupation charge or whatever you might wish to call it. Has that had an impact on solving overcrowding? Have lots of people said, "I am not getting that Housing Benefit for that extra bedroom. I must move from here immediately", in Hackney, for example?

John Lumley (Director of Regeneration, London Borough of Hackney): No, we have not seen any real evidence that that has been --

Leonie Cooper AM: No exodus?

John Lumley (Director of Regeneration, London Borough of Hackney): -- the motivator for people to move, no.

Leonie Cooper AM: Basically, they have just taken the hit on their finances?

John Lumley (Director of Regeneration, London Borough of Hackney): Yes, or they have fallen into arrears.

Leonie Cooper AM: Or the council has taken the hit on its finances?

John Lumley (Director of Regeneration, London Borough of Hackney): Yes.

Leonie Cooper AM: Is that the same in Waltham Forest? Also, I do not know whether you want to comment from the Peabody perspective on this?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): We moved about 168 people when it was introduced and today we moved 168 households.

Leonie Cooper AM: Is that 168,000 or just 168?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): I wish. No, 168 households.

Tony Arbour AM: You are not that big a landlord.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Yes, that would have been --

Leonie Cooper AM: It has been in since 2013.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Yes, that is not long. What we found in Peabody was that most tenants were quite happy to take the hit where they could. Again, for the homes that were freed up, we still go back to the allocations and you need to consider the boroughs and their housing lists. It does not necessarily always go to your own tenants who are overcrowded. It goes to the local authority.

Going back to something that Assembly Member Boff asked, Peabody operates in over 24 London boroughs and, while everyone has points for overcrowding, from my experience, it is only Kensington and Chelsea (K&C), Haringey and Camden, I believe, that prioritise overcrowding as part of their allocation. That is what I have seen. What we have coming in in terms of our nominations are mostly statutory homeless. If you think about it, even those who are classed as overcrowded on the council list, are they actually being prioritised for homes? I do not get the sense that they always are at the top of the list.

Andrew Boff AM (Deputy Chair): That is fascinating. So that I am clear in my mind, parts of those three boroughs, the other ones you are talking to --

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): As far as I am aware --

Andrew Boff AM (Deputy Chair): You do not get the feeling that they are prioritising?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): I do not get the feeling that overcrowding is --

Andrew Boff AM (Deputy Chair): I am sure Mr Lumley is going to say something --

Sian Berry AM (Chair): Are these boroughs that have recently changed their allocations policy? I know that Camden has changed it to do exactly that.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Yes, and Haringey did and K&C. Was it last year or some time ago?

Sian Berry AM (Chair): As more councils change their allocations policies, they might bring in --

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): They might, yes. I know that there are points for overcrowding, but an overcrowded household would not almost automatically get a home over

statutory homeless, which is understandable, but then you still have all of those people there with nowhere really to go to.

Leonie Cooper AM: Would you agree that the under-occupation issue is probably more severe with people who are not impacted by the bedroom tax, in the sense that people who are pensioners are more likely perhaps to have suffered a bereavement and be living alone as a widow or widower under-occupying, potentially, a house or a flat that could be very suitable for another overcrowded family? Do you think there should be more done? Notwithstanding the very deep emotional attachment because people might have lived there for many years, what more could we do to persuade people who are perhaps under-occupying by two or even three bedrooms to move, freeing up that accommodation, which would then be available for families that are deeply overcrowded?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): It is like John said. That emotional attachment is really strong and so there are lots of incentives and they do find it really hard to move. The point is, because most of the demographics in this group have the real secure and assured tenancies, they do not have the fixed-term tenancies and so you could not even, with churn, move them.

The only thing that I would say, having worked my way up through housing, is that if maybe there was some sort of an incentive that was linked to maybe their children and getting homes for their kids, that would probably soon enough get them to give up their home. That could be something to look at. If you say, "Give up this six-bed home and I will house your son or I will pay the stamp duty or the deposit for your son", something like that might help.

Leonie Cooper AM: Do you think so from the Hackney perspective?

John Lumley (Director of Regeneration, London Borough of Hackney): Yes. I would also add that financial --

Leonie Cooper AM: I will just make clear that I am just here talking about that demographic because Tom is right. He wants to ask you about incentives for other people as well. He was kicking me.

John Lumley (Director of Regeneration, London Borough of Hackney): Absolutely. This might answer both parts of the question. It relates to financial incentives. We do run a scheme offering financial incentives for those who are under-occupying and they are very modest. There are two reasons why they are modest. First, that is just the nature of local authority budgets. Secondly, there is a political consideration to offering households cash to move home, particularly when they are moving perhaps to a more suitable or what some might describe as a nicer home.

Actually, the reality of it is, if you set that against the cost of the provision or the need to provide temporary accommodation, it becomes a bit of a no-brainer. On average, placing a household in temporary accommodation in Hackney costs the authority - as opposed to placing them in a secure tenancy in a council property or a tenancy in a housing association property - an extra £10,000 to £15,000 a year. If we were able to offer more generous incentives, that equation would balance much more quickly, but that is not something that we are currently able or comfortable doing.

Leonie Cooper AM: I believe that was the underlying ethos of the cash incentive and the tenant incentive schemes when they originally operated, but Tom has told me I am not allowed to ask about those because he is going to talk about that in a minute.

I do want to talk to Amanda and David [Beach], though, about the PRS. We know - and you have spoken about it eloquently - particularly in Newham; a fantastic scheme, by the way, licensing in Newham. How can that help deal with overcrowding? Should some kind of licensing scheme like that be the same across the whole of London, the Newham type of scheme?

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): The licensing scheme has been able through the licence conditions for authorities, to set maximum limits on a property on the number of people that should be in there and the number of households that should be in there. Where that is not happening, then a breach of the licence conditions has occurred. Where we have witnessed this, we have taken enforcement action.

The landlord or the licence holder also has a duty to inspect their property every six months to find out what is going on. Things that happen which they might not know about are probably subletting going on within the property, which would result in overcrowding. In this kind of situation, if the licence holder is inspecting their property, they should be able to be aware about what is going on and deal with it. They have various ways they could deal with it. They could ensure that subletting is not going on or serve a Section 21 [of the Housing Act 1988] notice on the tenant or take action to ensure that overcrowding does not take place. That is the licensing bit, but we also carry out unannounced visits to these properties where we suspect that. It is of our credit to actually visit a witness and take enforcement action on the licence holder to deal with it.

Leonie Cooper AM: David, is that the same that you have found in Waltham Forest, that your licensing and regulation scheme in the PRS has been able to impact on overcrowding and to either keep it at bay or reduce it?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): No, we are one of the few boroughs that have borough-wide licensing following in Newham's footsteps a couple of years behind. It has been --

Leonie Cooper AM: Helpful?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): -- transformative in terms of having the resources, the insight and the intelligence to regulate conditions in the PRS, really. Since we brought the scheme in, the political landscape has changed a bit. It is much tougher now to get the re-designation in, but I know that the Mayor has been quite keen on having the power delegated down possibly to the GLA in London to re-designate. We are quite concerned about further barriers being put in the way in terms of being able to re-designate. We have the extra 'rogue landlord' powers that have come in in the Housing and Planning Act [2016]. We feel we are in a significantly better position to enforce those with the extra powers available through licensing to those boroughs that do not have those powers available.

Leonie Cooper AM: Do you think there are measures beyond licensing and beyond the rogue element that would be useful in terms of tackling overcrowding in the PRS? I am offering you your opportunity to have three wishes, if you like.

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): The main legislation that we have to enforce is the Housing Act 2004 and I do not think it would win many prizes for being the best piece of legislation ever enacted, really. Part 1, our main enforcement powers, are not great. Even licensing is quite a confused picture with myriad different schemes, complications in terms of HMO definitions and that kind of thing. Part 4 powers in terms of interim management orders are pretty toothless, really. There is a general need to look at what tools are available under the Housing and Planning

Act. There are some good things in there. Along with Newham, we were one of the first two boroughs to adopt the new civil penalty powers and we are using them extensively already, but, again, the proof of the pudding with that will be -- there will be a lot of appeals on that going through the Residential Property Tribunal for that. Again, will that be an effective power? We will see.

Andrew Boff AM (Deputy Chair): Could you outline what that action is again? The civil penalty powers are what?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): We now have the power under the Housing and Planning Act for certain offences and one of those includes breach of an overcrowding notice, for example, or breach of licence conditions. We can issue a civil penalty of up to £30,000 as an alternative to a criminal prosecution.

Andrew Boff AM (Deputy Chair): Excellent. They are still ongoing, are they? They are still ongoing, those appeals and everything like that?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): We have just had our first two appeals in the Tribunal this week and so we have five or six weeks to wait for the decision. Newham had the first appeal through and Newham --

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): We have had a number of appeals and a recent one we had was for poor management of shared accommodation. We had about £22,500 in financial penalty.

Andrew Boff AM (Deputy Chair): Without taking up too much time, could you let us know how they have gone, if you could write to us and let us know?

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): OK.

Andrew Boff AM (Deputy Chair): It would be interesting to know because one of the criticisms we often hear is that local authorities do not really have the powers to act in many of these cases. It would be great to hear how they can. Thank you.

Leonie Cooper AM: In your case, it is because you have the licensing schemes in place and you are able to act. My understanding is that if you did not have the licensing schemes in place, you would not be able to act because you could not enforce for breach of licence if there is no licensing scheme.

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): Yes.

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): Exactly. There are still some things you can issue civil penalties for, but the range of things you can deal with under licensing is much bigger. For the one we were in on Monday, we were defending £45,000 worth of civil penalties we imposed on landlords for, for example, failing to provide smoke detectors in the property. They declared on the licence application there were smoke detectors there, and so it was just basic safety measures, really.

Leonie Cooper AM: Very basic safety measures. I am also a member of the London Fire [and Emergency Planning] Authority and we would be looking to see you carrying on with that kind of enforcement. Is there

anything, Amanda, that you would like to add to what David was saying? What are your three wishes, unless they are the same?

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): Yes. Licensing gives us the ability to actually know what is happening down there in the community and what type of setup and then, due to intelligence, we also -- we do not work solely alone. We also work with the police, the immigration department and council tax, and so we always have multiagency working. We always do that and we are able to gather intelligence. Even if we are not going to a particular property, if the police are going, they inform us of what is going on in that property. If the immigration officers have been to that property, they automatically tell us what they have seen. We are always gathering intelligence and being made aware about what is going on. Without licensing, I would find it difficult to know how local authority would be able to know what is going on in their area.

Leonie Cooper AM: I do not know whether you wanted to come in on that as well. Thank you very much, Amanda. That is really useful what you and David [Beach] have been saying.

John Lumley (Director of Regeneration, London Borough of Hackney): It is useful to be aware of what might potentially happen next. Hackney is proposing to introduce both additional licensing for HMOs and selective licensing on a pilot basis to three wards later this year. That goes to Cabinet on Monday [19 March 2018]. We are big supporters of licensing and we want to see all the benefits that colleagues have just touched upon it brought about.

However, the potential downside is twofold, generally speaking. The first is that licensing may result in some properties being taken out of rented stock --

Nicky Gavron AM: And evictions.

John Lumley (Director of Regeneration, London Borough of Hackney): -- because landlords do not want to remain in the sector or they do not want to sign up to a licence or it is not possible to grant a licence because the property is in such a state of disrepair or whatever it might be.

Secondly, in relation to overcrowding specifically, it may be the case that in terms of enforcing that overcrowding criteria, some households will have to move out of the property or some individuals may have to move out of the property. The likelihood is that they then present to a local authority as homeless and there is a duty for us to house them and we do not currently have anywhere to house them. Therefore, there are some potential downsides that we do need to be aware of.

I draw that back to the question as to what my asks would be, and they relate to the point I made earlier, which is about that fundamental question of supply because this is all part of a complex chain of how we try to address both the cause and the symptoms. The first would be additional lobbying to raise or abolish the Housing Revenue Account borrowing cap and then, secondly, additional financial assistance, preferably through the Mayor of London's grant programmes, to assist with the provision of more genuinely affordable housing.

Leonie Cooper AM: Thank you. Thank you, Chair.

Sian Berry AM (Chair): Assembly Member Gavron, did you have a follow-up question?

Nicky Gavron AM: It has just been answered because I was wanting to know what steps were in place to help those people who were then evicted or made homeless as a result of licensing because of overcrowding, where are they to go? What happens to them? I do not know if anyone else wants to add anything to that?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): I do not disagree with other Panel members on this, but certainly when Newham's licensing scheme came in I know that there were lots of concerns expressed about how it would reduce the supply of PRS in the borough. There is no evidence that that occurred and actually the level of PRS increased in Newham over the life of the scheme. I am not aware really of any massive displacement, certainly in Waltham Forest. It is not my area, but our current figure is that 53% of our homeless acceptances are just at the end of agreed short-term tenancies. That is the main cause of new acceptances now, but there is no suggestion that is through any overzealous enforcement or any additional enforcement of the licensing scheme, really.

Nicky Gavron AM: Where there is an overcrowded property, do you have evidence of what happens to people who have to leave it?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): They just find other accommodation. They do not necessarily present themselves as being homeless to the local authority.

Nicky Gavron AM: All right, but it is very much a last resort, is it not, being in very overcrowded, unfit homes? I am just wondering whether they have the wherewithal to find anywhere. I am posing a question. There is a dark side to the licensing scheme. I am just wondering how we deal with it.

Sian Berry AM (Chair): People in these overcrowded homes are not exactly undercharged for the privilege, either. It may be that there are other options for them.

Assembly Member Copley, we are moving on now to what the Mayor can do. You are leading on this?

Tom Copley AM: Thank you. For my first question, we could just go through each one of you, yes or no, really, on this one. Should the Mayor have a target to reduce overcrowding?

John Lumley (Director of Regeneration, London Borough of Hackney): Must I answer yes or no?

Tom Copley AM: You can give us a different form of words, if you like.

John Lumley (Director of Regeneration, London Borough of Hackney): A target is not unhelpful, but, equally, it should not be the top priority.

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): You should not set a target. If you set a target, it may be very difficult to achieve. I do not see how setting a target will help you much with that.

Tom Copley AM: Is that not the point about targets, though? They should stretch you.

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): No, it depends on what data options he uses, but I do not see how good that will be in setting a target because overcrowding data is not easy data to collect. That is from my experience.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Without saying yes, I think that homes that are built should be according to housing needs in the borough, and housing needs in the borough should be really data-driven. You should be able to calculate how many of your applicants or tenants are overcrowded and ensure that supply within your borough meets the housing demand. Just saying 'build more homes', for me it is good to build more homes, but you need to be clear about the people you are trying to house and build the homes for the people you are trying to house, not just within the council but also within every registered provider or every social housing tenant that has those issues. It should be driven by demand. I do not know if a target helps, but you do have overcrowding. It might not be as high, but there is overcrowding, and your homes and your builds should reflect that in some way.

Tom Copley AM: That is an interesting one for us here because we have seen what has come back in the SHMA on what apparently is needed. It says mostly one and two-beds - in fact, more than 50% of it being one-beds - across London. Yet most of the boroughs that we have spoken to -- we spoke to Havering, which said that the need was for 80% family homes. Tower Hamlets was saying that they wanted a majority of family homes. What has come back and what the Mayor says does not seem to tally up with what is being seen within the boroughs and what they are reporting.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): That is what I found when I saw the consultation on the London [Overcrowding] Action Plan. I tried to read it and I really could not understand it because, for somewhere like Haringey, when you nominate a one-bed property, it is more difficult to find people to fill those homes, but once a three-bed or four-bed comes up, after the first viewing it is gone.

Tom Copley AM: That is interesting.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): For some of the Section 106s [of the Town and Country Planning Act 1990] or the nomination agreements that have come through that I have had to review, I have actually had to challenge and I have said, "Can you go back to the allocations department of that council and find out what their demand is on their list? If they are agreeing to this, do they understand that they have more overcrowded applicants or more applicants who need larger-sized homes? Why are you building this?" The sense I have is that it is almost like the data in the boroughs is not being used properly to drive housing and demand within the boroughs.

Tom Copley AM: That was very interesting. I am wondering whether they even ask. When they are coming with the data for the London Plan, I do not know if even they ask the boroughs where the demand is in terms of their waiting lists when they are coming up with these figures. I do not --

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): They probably do. Do you know?

Andrew Boff AM (Deputy Chair): We have asked whether there should be a target for overcrowding, which I suppose can be quite nebulous. However, should there be a target for the size of homes that we are trying to build?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): There should be. I would say yes to that. Just like I said, it should be driven by data. They should not just build one and two-bed homes in Islington when the local need shows that they need three and four-bed homes.

Tom Copley AM: Can I move on to you, David? Do you think we need a target to reduce overcrowding and commenting on what we have been talking about in terms of a need for different types of homes?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest):

What Assembly Member Boff was suggesting would make sense to me. Maybe look at an aspirational target to reduce overcrowding. If that is linked up with more targeted homebuilding, the two should go hand-in-glove, really. Maybe one of the measures of expanded housebuilding or new dwellings should be an overall reduction in the level of overcrowding.

Tom Copley AM: John, what do you think? Do you think we need larger homes? Do you think that we need a target for larger homes?

John Lumley (Director of Regeneration, London Borough of Hackney): Those considerations are second order and so no to the first part - do we need a target - because we need more homes of every size. If we take Hackney as an example, we have 13,000 people on the waiting list and 3,000 households in temporary accommodation. We do not have any particular type of home that we are struggling to fill. We cannot build homes of any size fast enough to reduce either of those figures. Yes, in an ideal world, we would have a perfect approach to data analysis that targeted all of the new homes that were brought forward and that aligned and correlated with all of the demand on the waiting list, but, for the time being, we just need more homes. No matter what size they are, we will be able to fill them because of the size of the demand that we have across the spectrum.

Tom Copley AM: Is that your view, Amanda?

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): I am not so much versed in the social sector, but I believe we do come across properties that are overcrowded by families as well as single persons. It is across the sector.

Tom Copley AM: Going back to the issue of larger homes, do you think they are effectively incentivised in the draft London Plan and, indeed, within the Affordable Homes Funding Programme? You have a fixed grant rate of £60,000 whether it is a studio flat or a five-bed. Do you think that creates a skew towards smaller properties?

John Lumley (Director of Regeneration, London Borough of Hackney): Yes.

Tom Copley AM: Do you think it would be better for the Mayor to offer perhaps a differential rate so that the bigger the home the bigger the grant? Is that a general view?

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): Yes.

Tom Copley AM: David is that your view as well: more flexibility in terms of that?

David Beach (Head of Selective Licensing and Regulation, London Borough of Waltham Forest): Yes.

Nicky Gavron AM: Can we ask? That would affect the housing targets?

Tom Copley AM: It would affect the housing targets, surely.

Nicky Gavron AM: That would affect your housing targets in Hackney, would it not, because you would be building more family homes, for your one and two-bed?

John Lumley (Director of Regeneration, London Borough of Hackney): The general point about flexibility is the key one which is that we want to build more homes, and more homes of every size to meet a diverse range of needs. I would not necessarily say that it would drastically reduce the overall output. It would just be beneficial in terms of giving providers – not just the council but registered providers and other developers – the freedom they need to benefit from that fixed grant rate, which is positive in many ways in terms of security of future income and business planning and so on, and also being able to deliver a range of products across a range of different schemes.

Tom Copley AM: Have you done a recent local SHMA in Hackney?

John Lumley (Director of Regeneration, London Borough of Hackney): Yes.

Tom Copley AM: What does that tell you in terms of where the need is in terms of the number of bedrooms?

John Lumley (Director of Regeneration, London Borough of Hackney): I do not have all of the data to hand, unfortunately, and some of it is referenced in the report that you provided in advance of today, but what is particularly interesting is, again, the contrast between the outputs of the SHMA and the evidence that is available in terms of the housing waiting list. There is, again, something of divergence between the recommendations of the SHMA in terms of provision of larger homes and the proportion of households that require smaller properties, which are in the greatest numbers at the higher end of the priority bandings on our waiting list. Again, it all goes back to one of the first things that we discussed about difficulties with datasets and getting consistency and so on, but it also underpins that previous point about the fact that, whichever way you cut it, we just need more homes of all sizes rather than getting fixated on one particular type of provision.

Tom Copley AM: Although, if you were to just build all one-bedroom flats, that would cause problems, surely.

John Lumley (Director of Regeneration, London Borough of Hackney): Sure. I am not suggesting that, but fixating on one particular type in that way but coming at it from a different perspective is equally unhelpful.

Tom Copley AM: It is just more about ensuring that family-sized housing is not disincentivised for the reasons that we have discussed.

John Lumley (Director of Regeneration, London Borough of Hackney): Sure. Yes, absolutely.

Sian Berry AM (Chair): Assembly Member Boff just quickly?

Andrew Boff AM (Deputy Chair): Just very quickly on that, one of the postulations that we had in our report back in 2011 was that if you build a one-bedroom house, you are possibly solving the housing needs of only one particular person. If you build a five-bedroom house, you are solving the needs of multiple families as people readjust to different-sized homes with the churn in housing. Is that something that you recognise and perhaps Ms Onyechi recognises as well: that the larger homes give you more choices and actually liberate the one-bedroom, two-bedroom and three-bedroom as you allocate for people's needs?

John Lumley (Director of Regeneration, London Borough of Hackney): Yes, absolutely. We just need to be aware of how that links to some of the other points we discussed earlier about how that translates into the reality of people moving, whether they are either over-occupying or under-occupying.

Andrew Boff AM (Deputy Chair): Thank you. That is fine.

Tom Copley AM: I wanted to move back on to downsizing, which of course Assembly Member Cooper has raised already. We have discussed this a bit, but the question is how the Mayor can make downsizing more attractive in London. Are there things that the Mayor can do?

John Lumley (Director of Regeneration, London Borough of Hackney): I spoke earlier about financial incentives and that is something that is worth investigating further and seeing whether or not there is any assistance that the Mayor can provide. It need not even be direct financial assistance but assisting boroughs in doing the research and investigating potential options and potential policy initiatives that boroughs could pursue. Doing that on a pan-London basis would be very helpful because boroughs acting in isolation -- we all to a certain extent face the same challenges and so co-ordinating those efforts across London would be very helpful.

Tom Copley AM: We still have the Seaside and Country Homes programme, of course --

John Lumley (Director of Regeneration, London Borough of Hackney): I believe so, yes.

Tom Copley AM: -- which we run from the GLA, but the take-up is very low --

John Lumley (Director of Regeneration, London Borough of Hackney): It is, yes.

Tom Copley AM: -- and I am not sure how many properties become available outside of London for people to go to. Perhaps there is something the Mayor could do to reinvigorate that scheme as well.

I liked the suggestion about incentives in terms of family members being able to -- that is also a way, of course, which certain councils have used to get consent for development on existing estates by saying, "These properties will be available either for you to downsize into or for your children", and that kind of thing.

Ijay Onyechi (Head of Lettings, Residents Services, Peabody): For Peabody, we have done the financial incentives and, like John said, there is an emotional attachment. We find that no matter how much money we throw at people, the money is good but it is not a problem for them. If there is some sort of gain for a family member, they tend to want to move easier. We had a particular case where a lady was in a four-bed and had a son and she said, "The only way I would move is if you gave my son a social tenancy and I would happily move to a one-bed". That had to be signed off. For us, we were getting a four-bed. She said, rightly, "My son will not have priority if we were to approach any of the councils". If there was some sort of scheme that went into the depth of that and what they really want and just, when you think of the cost down the line, it makes better sense to do that than say, "I am giving you £1,500 a room". They do not need that. They are happy to stay there.

Tom Copley AM: Any more comments on downsizing and incentives to downsize? Anything else? Nicky, sorry, yes.

Nicky Gavron AM: Just on downsizing and going back to what we were saying much earlier, the presumption in favour of small sites does two things. It does many more things, but I am just taking two. One is that there is the potential of some infill sites becoming available because of the presumption; and, secondly, the presumption in favour of conversion counting as a small site. Also, I am just thinking of people who are -- I just want to put this perhaps to Hackney because you probably do have quite a lot of large family houses in which people have space. We know that there are quite a lot of private -- that 40% of all the 800,000 homes

with two or more spare bedrooms are in the owner-occupied sector, and just whether there is some deal that boroughs can do, mainly with people who really would like to downsize from their owner-occupied houses but do not have the income to be able to do it, so to speak, because it is quite expensive with just even the moving and so on, but also want some incentivisation. They would, but only if they are in their own community. I just wondered whether there could not be some incentives around this or some way boroughs could put some sites aside for people in order to help them to downsize to free up larger family houses either for big families or for dividing up into smaller households. Any ideas on that?

John Lumley (Director of Regeneration, London Borough of Hackney): Is that from the owner-occupied sector into the social sector, if I have heard you correctly?

Nicky Gavron AM: No, it was not. It was into the private sector. Something that boroughs might be able to do --

John Lumley (Director of Regeneration, London Borough of Hackney): Owner-occupiers moving to other private properties?

Nicky Gavron AM: A lot of under-occupation is in the homeownership sector.

John Lumley (Director of Regeneration, London Borough of Hackney): Yes, absolutely.

Nicky Gavron AM: These are under-occupied homes and people might have the emotional attachment. Often, the emotional attachment is to the area in which they live and to the community, but there is nowhere in the community for them to move to that is there. There is not always the supply. They probably could afford it with some assistance in moving and so on, but they would be selling their main asset.

Sian Berry AM (Chair): We do not have any planning officers with us today --

Nicky Gavron AM: It is an idea.

Sian Berry AM (Chair): -- but, John, you are the Director of Regeneration, which means you must be building some private-sector homes alongside new social homes.

John Lumley (Director of Regeneration, London Borough of Hackney): Yes, that is right.

Sian Berry AM (Chair): Have you thought about the issues that Assembly Member Gavron has raised at all?

John Lumley (Director of Regeneration, London Borough of Hackney): The homes that we deliver that are not affordable are delivered really solely to generate the cross-subsidy required to fund social rent and shared ownership. We have recently made progress towards creating a wholly-owned subsidiary housing company to provide homes at London Living Rent. I am thinking about whether or not there is some relationship between the provision of the Living Rent product and that providing an incentive to those wishing to downsize. That is something I will probably need to give some more thought to.

Sian Berry AM (Chair): The answer to your question, Assembly Member Gavron, is that we are in very early days with a lot of councils on this, but it is worth thinking about. The idea that people might move from owner-occupied into even affordable rent does not sound quite right, either, does it? Presumably when you put together the plans for the private sales homes, you are doing that according to a market study with the

objective of making the most money rather than solving other problems within the borough, I would have thought.

John Lumley (Director of Regeneration, London Borough of Hackney): That is right. Those homes are built so that we can generate the subsidy required to fund the construction of the social homes. That is their purpose. That is the purpose for delivering them. Whether or not there is a blend as part of that approach that could also tackle that particular issue, again, is something that is probably worth giving some more thought to.

Sian Berry AM (Chair): We might need to get Savills in to talk to us about this. Assembly Member Boff, do you have a final question?

Andrew Boff AM (Deputy Chair): I do. It is on downsizing. I first became a local councillor in 1982. We had an incentive scheme then and we used to give people a couple of grand to downsize. It kind of worked occasionally with some people, but it never had the impact. If we came up with a scheme for everybody who was under-occupying to go to a more appropriate-sized property, would we solve overcrowding in London or in your borough, even?

John Lumley (Director of Regeneration, London Borough of Hackney): No.

Amanda Amafor (Senior Environmental Health Officer, London Borough of Newham): It is based on individual circumstances, I believe.

Andrew Boff AM (Deputy Chair): Are the numbers there? Are the numbers who are under-occupying greater than the numbers of people who are overcrowded?

John Lumley (Director of Regeneration, London Borough of Hackney): There are two parts to explaining why I do not know. One is that I just do not have that analysis in front of me in terms of the available data. However, more importantly, the very first thing that we discussed is that, even if we could sit here with a spreadsheet and run the numbers, we probably do not have all of the information we need to give a confident answer.

Andrew Boff AM (Deputy Chair): It is fair to say, is it not, that just relying on downsizing is not an overall solution to overcrowding in London?

John Lumley (Director of Regeneration, London Borough of Hackney): No. I believe that the focus should be on a combination of addressing that issue and increasing supply.

Andrew Boff AM (Deputy Chair): Thank you so much. That is very useful.

Sian Berry AM (Chair): Thank you. There are numbers hidden away in the SHMA towards the end, but we will look at them before we decide what to do.

Tom Copley AM: Looking at the SHMAs in the appendix, for each borough represented here, the biggest demand in terms of social rent is for three-beds in each case. Of course, I am not entirely certain when all of these were carried out. They might have been carried out at different times, but still.

Sian Berry AM (Chair): We will need to finish there, I am afraid, but thank you very much to our guests.

Tom Copley AM: Yes, really interesting.

Andrew Boff AM (Deputy Chair): Yes, a really very good session.