

EXECUTIVE SUMMARY

A REVIEW OF  
YOUR CHOICE HOMES

HOUSING QUALITY NETWORK

August 2005

## 1. Introduction

This report evaluates the Your Choice Homes (YCH) lettings scheme. It focuses on three interrelated issues:

- Stakeholder perceptions of the scheme
- The changing nature of the local housing market
- An assessment of YCH in relation to government guidance on choice-based lettings (CBL).

## 2. Policy framework

The active involvement of the government in CBL began with the housing green paper in April 2000. This emphasised four objectives – offering choice, tackling social exclusion, helping to create sustainable communities, and encouraging the effective use and management of social housing. In spring 2002, the Government announced two targets. By the end of 2005, 25% of local authorities should have a CBL scheme, and by 2010, 100% of councils should be operating such a system.

During 2005, the ODPM has issued three reports/guidance statements on taking CBL forward:

- ODPM (2005): Implementing and Developing Choice-Based Lettings – A Guide to Key Issues: London, ODPM
- ODPM (2005): Choice-Based Lettings Newsletters Nos7 & 8: London, ODPM
- ODPM (2005): Sustainable Communities – Homes for All – A Strategy for Choice-Based Lettings: London, ODPM.

At the local level, Newcastle City Council agreed to fully adopt a CBL policy, Your Choice Homes, from April 2004. It also agreed that an independent review of the scheme should be undertaken in early summer 2005.

## 3. Key findings

YCH is a relatively new CBL scheme that has been operating for just over 12 months. It has many strengths and there are areas of good/excellent practice. The scheme meets the seven principles/features of CBL as outlined by the ODPM. The detailed processes and procedures have been designed to reflect local circumstances. There is a sound system in place to meet the needs of vulnerable groups. Good initial work is being undertaken on the further development of a housing options approach.

A major challenge is to move towards a single comprehensive CBL system that incorporates all of the social rented stock.

It is important to highlight that CBL changes the process of lettings. It does not transform unbalanced/polarised housing markets.

The scheme has six aims and the key findings of this study are discussed below.

- *To give people more say by basing lettings decisions on people choosing homes for themselves*

Enabling customers and their advisors to make **realistic** choices requires that they have relevant information about the social housing market and how it is changing. They also need to be able to access information when required on property adverts and neighbourhoods.

In a changing and polarised housing market, the concerns of customers and some staff centre on outcomes, ie, the lack of availability of suitable properties. CBL systems, such as YCH, focus on processes rather than outcomes – therefore, the frustration with the new system is understandable but cannot be attributed to YCH.

The dissatisfaction expressed in the discussion groups can also partly be accounted for by the lack of sufficient up-to-date information on the local housing market and the results of previous bids.

Nevertheless YCH has in place the basic principles of a CBL system – the majority of which conform to ODPM guidance. Indeed the format of the feedback on completed lettings is exemplary.

- *To change the culture of the lettings service from one based on complex assessments and complicated priorities to one based on customer choice and empowerment*

Most stakeholders prefer the new system compared to the previous method of allocating property because it is more transparent and generally easier to understand. It is also evident that the majority of stakeholders understand the principles of the operation of YCH.

However, there is a major challenge for all CBL systems in balancing need and choice. The legislative framework for allocations requires that due consideration must be given to the housing and personal circumstances of individuals. This inevitably requires assessment and prioritisation.

In a social housing market where there are an inadequate number of properties of the appropriate type in suitable locations, there will be relatively limited real choices. This has implications for all allocations systems. CBL systems, such as YCH, make these challenges transparent. Some staff,

service users and advisors are thus finding it difficult to make the transition from a traditional culture of allocations to one based on greater customer empowerment as it is implicit in some comments that there is an expectation that more properties will be available.

- *To provide a fair, efficient and open way of letting council homes which is simple, quick and convenient to use.*

In broad terms, YCH meets these principles.

An area of concern is that not all social rented properties are let through YCH. Government guidance highlights that there should be a single comprehensive CBL scheme that covers all of the social rented stock in a local authority area and not just some council housing. At present, this is not the case especially as the majority of housing association properties are not let through this system.

According to the ODPM, greater efficiency and value for money in allocations and lettings can be achieved through a single CBL system by having a single back office system rather than each social landlord operating independent processes. Value for money and efficiency gains can further be achieved by moving towards a single sub-regional system.

- *To stimulate new markets and new interest in council homes.*

YCH has generated interest in properties and neighbourhoods that had previously been 'difficult-to-let'. In addition, there is evidence that the scheme may have generated new interest as the number of households on the housing register has increased. This, of course may also be due to other factors such as changes in the local housing market.

The council and its partners have an excellent track record in developing and delivering new products and services for customers requiring social housing. This approach ties in with government thinking on linking CBL with a broader housing options approach.

We believe that there are opportunities to further develop this type of approach by, for example, developing a tenant incentive scheme to tackle under-occupation of larger properties.

- *To support vulnerable people and people in immediate need to enable them to engage with the service and exercise effective choice.*

As has already been pointed out, YCH must balance need and choice. This is a particularly challenging task in relation to vulnerable households and those in immediate need. There are often major constraints in relation to housing supply of meeting the needs of these groups and enabling them to exercise a degree of choice.

Although some stakeholders raised issues about the adequacy and consistency of the policies, processes and procedures of YCH, the

fundamental underlying issue is the lack of suitable properties of the appropriate type in satisfactory locations.

Moreover, there is a mismatch between stakeholder perception and reality. The new system does not appear to disadvantage vulnerable groups as a whole.

Although there is some merit in reviewing specific detailed policies re vulnerable groups and allocations, the key priority should be to further enhance advice and support services.

- *To help strengthen and sustain communities by increasing customer commitment to their home and balancing customers' rights with the community's expectations.*

This is clearly a longer term objective and it is difficult to assess whether it has been achieved within the first 12 months.

This aim is frequently cited in government guidance and in individual CBL schemes. The case that is put forward is that customers who have been able to exercise relatively greater choice are more likely to input their 'social capital' into their home and neighbourhood. Unfortunately there is no research evidence in England on CBL to either support or challenge this assertion.

Furthermore, there are likely to be many factors that contribute to the achievement of sustainable communities. Lettings policies will only be one of many policies that might help to achieve this aim.

#### **4. Main recommendations**

The project has generated a wide range of recommendations. In this section, we have attempted to bring these together as part of an approach for moving forward on CBL.

We would urge the council and YHN to take a bold approach in moving forward with YCH.

We have distinguished between the following categories of recommendations:

- Short (ie, within the next six to nine months) and medium-long term
- Strategic and operational issues.

### ***Short term operational recommendations***

These involve primarily Newcastle City Council/YHN.

- Regularly remind customers/service users on the policies, processes and procedures of YCH through the newspaper and the website
- Ensure that feedback information on completed lettings is up-to-date, ie, no more than one month behind current advertisement cycle
- Ensure that even more information is made readily available to customers who require it on the social housing market (especially housing stock information and its popularity) and property/neighbourhood features (especially quality of schools, proximity to health care facilities etc)
- Ensure equity of information including advice/support for customers and their advisors irrespective of mode of communication by carrying out an audit possibly using a mystery shopper exercise approach
- Develop an even more proactive approach with the health and social care agencies and voluntary sector organisations on information/advice/support for vulnerable groups and households not actively participating in the scheme – this will require monitoring of users who are inappropriately bidding and/or not responding to adverts
- Develop a programme of regular training and briefing sessions to improve stakeholder awareness of the policies, procedures and processes – there is a need for sessions for staff and organisations directly and indirectly involved in YCH. These should extend beyond city council and YHN staff to include health and social care and voluntary sector agencies. It should help to achieve even greater consistency on the delivery of lettings policies.

### ***Short term strategic recommendations***

These will primarily involve the city council and YHN and centre on the further development of housing options by:

- Developing a tenants' incentive scheme to tackle under-occupation of social housing
- Investigating the potential of incorporating private renting, shared ownership and low-cost owner occupation properties into the scheme
- Developing advice and support services for households which are increasingly facing difficulties accessing the bottom rung of the owner occupation ladder

- Adopting a more proactive approach in addressing the needs of vulnerable groups
- Working even more closely with advice and support agencies on developing and delivering lettings services that meet the needs of specific groups
- Most radically, we would recommend that YCH, housing options and homelessness advice and support should be integrated into a single operation – this ought to help link together CBL and a proactive approach to tackling homelessness and providing increased support for vulnerable households.

These recommendations require a closer working relationship with the health and social care sector and voluntary organisations. From an organisational perspective, we suggest that the overall management structure of YCH should be modified so that there is a significant involvement of these agencies in the design and delivery of CBL.

In addition, we recommend that regular monitoring reports (probably on a quarterly basis) are produced and widely publicised on the processes and outcomes of the allocation process. This will help stakeholders and customers to take a more informed view of any policy or operational changes that might be considered.

Finally, we recommend that a review be undertaken of the interplay of the priority card system and length of residence as selection criteria. In principle, vulnerable households ought not to be disadvantaged on this issue.

### ***Long term operational recommendations***

These will primarily involve the city council and YHN.

- An annual customer survey of YCH is undertaken starting in 2006 as part of an update on housing register information – this will provide detailed findings on how the operation of the system could be improved from a customer perspective
- A review should be undertaken of the policies, processes and procedures for vulnerable groups.

### ***Long term strategic recommendations***

These should be led by Newcastle City Council.

- A single comprehensive CBL scheme involving:
  - Formally incorporating other management lettings routes into YCH

- Engaging with all housing associations with stock in the area to move to a single CBL system. We would recommend that discussions be initiated immediately with all housing associations and with the regional office of the Housing Corporation, highlighting that the council intends to pursue this initiative as part of its strategic enabling role.

The aim should be to have a single comprehensive scheme covering all social housing by April 2007.

- YCH and housing strategies
  - It is essential that the relationship between CBL and broader strategies is maintained and enhanced. For example, YCH should be able to provide robust information on social housing supply and demand through monitoring systems, while the housing strategy should highlight the importance of this CBL system in achieving broader housing aims/goals. A similar perspective should apply to the relationship between YCH and the Supporting People strategy, the homelessness strategy and neighbourhood renewal.
- Monitoring the national policy environment
  - It is important and essential that a watching brief is maintained on national policy initiatives on CBL. This will enable the council and its partners to respond quickly and effectively to initiatives as well as understanding the implications for YCH
  - The ODPM guidance published in June 2005 indicated that there will be a significant number of reports and guidance published over the next six to nine months including a 'race impact assessment on CBL' and a Housing Corporation policy statement. In addition, the ODPM is due to publish good practice guidance on how social housing lettings can help to tackle concentrations of deprivation. Each of these could have major ramifications for YCH
  - The starting point for this should be consideration of a bid with adjacent councils for ODPM funding in rounds two and/or three to develop a sub-regional system. We believe that a sub-regional system would more clearly reflect local housing markets as well as providing efficiency gains and value for money by having a single source for lettings and housing options for Tyneside and parts of Northumbria.