

A REVIEW OF YOUR CHOICE HOMES

HOUSING QUALITY NETWORK

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1. Introduction

1.1 This report evaluates the Your Choice Homes (YCH) lettings scheme. This system became fully operational in spring 2004 and is an example of a choice-based lettings (CBL) system that radically alters the lettings process. The study focuses on three inter-related issues:

- Stakeholder perceptions of the scheme (see section three)
- The changing nature of the local housing market (see section four)
- An assessment of YCH in relation to government guidance on CBL (see section five).

Each of these sections contains an introductory overview, a summary of the methodology, analysis and conclusions and recommendations.

1.2 The national and local policy context is outlined in section two, while the overall conclusions and recommendations can be found in section six.

1.3 The study has made extensive use of qualitative research through discussions and interviews with key groups and stakeholders. Indeed, the city council and Your Homes Newcastle (YHN) requested additional interviews and discussion groups at the expense of a proposed postal questionnaire to customers. This has limited the amount of quantitative analysis that has been able to be undertaken within the budget for the project¹. The justification for the strong emphasis on qualitative research on stakeholder perceptions was that it provides detailed information on the views of a wide range of key groups including customer/service-users/homeseekers, staff, other housing organisations (ie, housing associations), and advice and support agencies especially voluntary sector bodies. It also usefully helps an understand of what influences stakeholder views. Of course, these views and perceptions may not (and, in fact, do not) necessarily reflect the policies, processes and outcomes of the YCH scheme. A challenge and opportunity for key policy and decision-makers will be how to bridge the gap between perception and reality in enhancing and improving YCH.

1.4 At the same time, the external environment in which YCH operates is changing in two important respects:

- The local housing market is changing – city-wide data suggests that house prices are increasing at a much faster rate than household incomes. This suggests that this CBL scheme will in the future be operating in somewhat different circumstances from

¹ One of our recommendations in chapter six is that an annual customer survey is undertaken

the development phase in the early part of this decade, ie, a more buoyant housing market with first time home buyers having more difficulty accessing the bottom rung of owner occupation and thus more likely to look to social housing to meet their immediate requirements

- The government policy framework for CBL has been updated during 2005. Three reports/policy statements have been launched (see sections two and five). There is a strong commitment at national level on CBL with the expectation that there will be a single comprehensive system covering all social rented stock in a local authority area in place as soon as possible.

We, therefore, have put some emphasis on these two aspects in this report.

The project was carried out between April and June 2005 by the Housing Quality Network (HQN). The consultants involved in the study were Dr Tim Brown, Andrew Larkin, Gill Leng and Dr Richard Turkington.

2. Policy framework

2.1 National context

2.1.1 The active involvement of the government in CBL began with the housing green paper in April 2000. This made reference to the work of Harborough District Council who had previously launched the first district-wide CBL scheme in England – Harborough Home Search. This emphasised four objectives – offering choice, tackling social exclusion, helping to create sustainable communities, and encouraging the effective use and management of social housing.

2.1.2 The government recommended that each scheme should set its own priorities based on the views of local stakeholders and the nature of the local housing market.

2.1.3 It also indicated that a pilot programme would be developed. The government subsequently launched this competitive bidding scheme in October 2000 to encourage innovative thinking around choice in lettings. Over 90 responses were submitted by local authorities and their housing association partners and the outcome was that 27 were selected to run pilot schemes for a two year period between 2001 and 2003. As well as the pilots, the government commissioned evaluative research by the Universities of Bristol and Cambridge along with an advice and support service that was run from 2001 to 2004 by the Centre of Comparative Housing Research at De Montfort University in Leicester (see: <http://www.choicemoves.org.uk>).

2.1.4 As well as the pilots, an increasing number of councils and housing associations not involved in the experimental programme developed CBL schemes. By mid 2004, over 25% of local authorities self-assessed themselves as operating a scheme. This covered just over 35% of the local authority stock in England, ie, approximately 850,000 dwellings. Estimates for the housing association sector are more difficult to calculate, but from information held by the Centre for Comparative Housing Research, there were over 200 housing associations involved in CBL schemes covering between 10-15% of the sector's stock, ie, 125,000-200,000 units.

2.1.5 In spring 2002, the government announced two targets. By the end of 2005, 25% of local authorities should have CBL, and by 2010, 100% of councils should be operating such a system.

2.1.6 During 2005, the ODPM has issued three reports/guidance statements:

- ODPM (2005): Implementing and Developing Choice-Based Lettings – A Guide to Key Issues: London, ODPM

- ODPM (2005): Choice-Based Lettings Newsletters Nos 7 & 8: London, ODPM
- ODPM (2005): Sustainable Communities – Homes for All – A Strategy for Choice-Based Lettings: London, ODPM.

More details of the current policy guidance can be found in section five.

In addition, in July 2005, the ODPM announced an opportunity for groups of councils and their partners to bid for funding to help develop regional/sub-regional CBL systems.

2.1.7 We understand that further policy announcements will be made either later in 2005 or in early 2006 including:

- A Housing Corporation policy statement which is likely to highlight that all housing associations should be operating a CBL scheme by 2010
- ODPM good practice guidance on how lettings policies can contribute to tackling social exclusion
- ODPM statutory guidance on CBL
- Funding announcement for sub-regional and regional CBL schemes
- Joint ODPM/Housing Corporation guidance to encourage joint local authority and housing association collaboration on allocations and lettings.

2.1.8 At the same time, linked initiatives such as moveUK (formerly the Housing and Employment Mobility Scheme) and the National Register of Social Housing (NROSH) will be rolled out by the end of 2005.

2.1.9 We therefore strongly recommend that the city council and its partners maintain a 'watching brief' over national policy developments and consider their implications for the development of 'Your Choice Homes'.

2.2 Local context

2.2.1 Newcastle City Council and its partners submitted an unsuccessful bid in early 2001 for inclusion in the government's pilot programme (see above).

2.2.2 During 2002/03, the city council developed an in-house internal pilot CBL scheme that 'went live' in May 2003 covering 50% of lettings. This

was extended further in early 2004. A review of this pilot scheme was taken in spring 2004.

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

2.2.4 This report forms the central plank of this independent review.

3. 'Your Choice Homes' and perceptions of stakeholders

3.1 Introduction

3.1.1 This section of the report centres on the views of a wide range of stakeholders on 'Your Choice Homes'. The emphasis has been on user/customers, advice and support agencies especially for vulnerable groups, and staff involved directly and indirectly in developing and operating the scheme.

3.1.2 It is important to highlight that the collection of qualitative information underpinning these findings has been the major activity of this project.

3.1.3 As with all qualitative research on the perceptions of stakeholders, there are some key inter-connected points to note, including:

- Comments by participants do not neatly limit themselves to YCH and CBL – indeed many of the discussion sessions and written submissions (see below) resulted in views on wider issues about the allocations and lettings process as well as the availability of social housing
- These are views and perceptions and as such they may be contradicted by factual empirical information. Indeed, in early discussions on a draft of this chapter, senior staff were able to point to information and processes and procedures. We have not included a detailed rebuttal of stakeholder perceptions as we believe this would not be productive at this stage. However, we recognise that the comments made by senior staff are important in setting out what information needs to be publicised to staff and service users about YCH
- Views of different stakeholders may conflict. For example, 'service-users expressed dissatisfaction with the scheme when bids were unsuccessful ... and the old system was better because they knew where they were on the list' (see section 3.3). However, most participants felt that the scheme was better than the old system (see section 3.4)
- Focus/discussion groups with specific groups and their advisors inevitably leads to critiques of CBL policies and processes that result in households not obtaining homes that meet their requirements. The reasons for these 'outcomes' may be external factors such as national legislation and guidance, eg, government guidance on CBL that it should balance need and choice rather than relying simply on need. Equally important, the local housing market situation may be the reason for unsatisfactory outcomes rather than the CBL process

- This type of research is, nevertheless, valuable in understanding how and why particular views are held but it does not represent robust statistical evidence.

3.1.4 This is not to imply that qualitative research is unimportant. Indeed, we would argue that it is valuable in reviewing and evaluating policies such as CBL. For example, it can highlight to policy-makers aspects of schemes that are poorly understood by customers/homeseekers. It can also usefully show that users do not compartmentalise policies in the way in which decision-makers have designed and operated schemes.

More generally, there is often frustration and concern by key decision-makers and policy makers over the challenges posed by qualitative findings. We would argue that they should instead be seen as opportunities to address customer perceptions.

3.1.5 These points are strongly highlighted in this section. CBL systems such as YCH are a radical innovation in that they change the allocations process to make it more customer-orientated. Homeseekers, while acknowledging the benefits of such an approach as evidenced by a high level of satisfaction with the scheme, are equally, if not more, 'interested' in outcomes, ie, 'what is the likelihood of standing a better chance of getting a suitable property in an appropriate location?'. Dissatisfaction with outcomes can and does generate discontent with the process. CBL systems, however, cannot directly change broader structural changes in local housing markets. Indeed a re-occurring theme in the qualitative research was the lack of suitable advertised properties. As section four on the social housing market indicates, the loss of stock through right to buy together with an increasing affordability crisis, makes satisfactory outcomes even more problematic.

3.1.6 From a policy-making perspective for YCH, these are valuable findings as they highlight:

- Relevance of providing information on the social housing market so that customer expectations are realistic
- Importance of regularly providing service users with information on how YCH operates
- Need to ensure that the system meets the needs of vulnerable groups and
- Importance of promoting a broader range of housing options to customers.

These are themes that are highlighted in government advice on CBL (see section five).

3.1.7 Nevertheless we recognise that customer and staff perceptions need to be interpreted and contrasted with the realities of the system and the local housing market. We therefore have incorporated a commentary along with quantitative information (where available) at the end of each of the sections 3.3 to 3.8.

3.2 Approach

3.2.1 A number of face-to-face interviews, telephone interviews and focus groups were held over a two-week period from 17 May to 26 May 2005. All meeting arrangements were made by YHN.

3.2.2 Emails and comments were received externally from the Newcastle Tenants' Federation, Two Castles Housing Association, Shelter North East Housing Aid Centre, East End and West End Drugs Forums, a report on customer satisfaction from a member of staff as part of a training course, and one service user.

3.2.3 Focus groups were attended by:

- Two councillors
- Four Newcastle City Council regeneration staff
- Seven staff representing the asylum seeker unit, advice and support workers, housing advice, YCH property shop and the relocation and resettlement team
- Representatives of 'stakeholder' organisations including NCC Health and Social Care, Newcastle Tenants Federation, Inline, Prolific Offenders Unit, Better Life in Later Life, Youth Voice and SHEF (Scotswood Housing and Environmental Forum)
- Twelve community housing managers from YHN
- Thirteen YHN estate officers and housing assistants
- Three representatives of housing associations.

Six service-user focus groups were held, representing:

- Households with a priority
- Active, but so far unsuccessful, service-users
- Service users living in high-medium and low-demand areas
- Different household sizes
- Service-users who had refused an offer
- Service-users from the black and minority ethnic community.

As is pointed out below, attendance at these service user meetings was variable with a significant number of non-attendees. We therefore wish to reiterate that the analysis in section 3.3 onwards in relation to users' views should be treated with caution.

3.2.4 Interviews were held with:

- Fiona Brown – Newcastle Independence Network
- Diane Creighton – YHN Policy
- Christine Cunningham – Head of Strategic Housing
- Trevor Healey – Principal Housing Manager YHN
- Alison Hodgson – Principal Housing Manager YHN
- Thelma Kropidlowska – Shelter
- John Lee – Chief Executive YHN
- Doug Lowery – Manager Health and Social Care
- Geoff Matthews – Manager Housing Policy and Strategy
- Michael Morris – Principal Housing Manager YHN
- Neil Munslow – Manager Homelessness and Housing Advice
- Brian O’Doherty – Area Director YHN
- John O’Shea – Councillor
- John Urwin – Housing Needs/YCH.

3.2.5 A summary of the key points made by those participating in the review process has been presented against the six key aims of the ‘Your Choice Homes’ scheme identified in the tender brief:

- To give people more say by basing lettings decisions on people choosing homes for themselves – **choice and empowerment**
- To change the **culture** of the lettings service from one based on complex assessment and complicated priorities to one based on customer choice and empowerment
- To provide a **fair, efficient and open way of letting council homes which is simple, quick and convenient** to use
- To stimulate **new markets and new interest** in council homes;
- To **support vulnerable people and people in immediate need to enable them to engage with the service and exercise choice**
- To help **strengthen and sustain communities by increasing customer commitment** to their home.

More detail is available in the individual transcripts of interviews and focus groups within a separate appendix report. Written comments received during the course of the review can also be found in this second report.

3.3 Customer choice and empowerment

3.3.1 Most people felt that enabling customers to choose homes for themselves was an admirable intention, but, in practice, 'choice' is limited and the perception of choice has not been managed as well as it could have been.

- The most common feedback from service-users, both through stakeholders and through this review process, is that they are 'dissatisfied' and 'frustrated' with the scheme when their bids are repeatedly unsuccessful
- The majority of service users expressed the opinion that the old system was better because they 'knew where they were on the list'; they 'have no idea of the real chance [of getting a home] (though this point about the previous system was contradicted by some staff). However, staff and stakeholders reported that service users consider the scheme to be more transparent. Furthermore under the old system, customers would have little idea of when they would be rehoused
- 'Choice' is limited by supply. Service-users felt there is not enough of the right types of housing in the right area, eg, single households have no choice but to live in a flat in a less desirable area and that demolition in some parts of the city is contributing to the problem
- Household circumstances limit choice – priority card holders, homeless households in temporary accommodation, ineligible applicants – and the scheme does not recognise individual needs
- Without full information about the property, neighbourhood and likely interest in property, the ability to make an informed choice is reduced – refusals and lack of response to offers are problems identified by housing associations and YHN staff. More information about the housing market and availability generally would also help
- Expectations of customers are higher than scheme can deliver – risk of discrediting the scheme unless managed.

3.3.2 Successful applicants were in the minority at service user focus groups but were very happy with their outcome. Some stakeholders and staff reported that some successful applicants were particularly happy as they had not considered themselves as eligible for council housing.

3.3.3 There is work under way to develop 'demand pricing'; the new IT system will enable customers to find out the likelihood of them being successful in seeking a home based on their individual household

circumstances. Although most stakeholders and staff think this is a positive move, there is a small concern that it should not prevent people from bidding on the basis that they may 'be lucky that week'.

- 3.3.4 Information on the scheme: access to the scheme by vulnerable groups is discussed below. However, all service users asked for more general advice and information about the scheme and that staff should be more helpful and supportive.

Some stakeholders and staff thought that the current means of advertising – the Chronicle, property shop and housing offices – is too limited; not everyone has access to the internet. However, service-users from the black and minority ethnic community – particularly the Chinese community – stated that they made significant use of the internet to access and participate in the scheme. No suggestions were made of alternative means of communication.

Service users at the focus groups were not aware of the lettings policy booklet or the information within it – many requested copies.

There are plans underway to provide housing offices with registration packs for applicants to address inconsistencies and furnish applicants with the information they need to effectively participate in the scheme.

- 3.3.5 Criteria attached to properties – 'labelling': stakeholders, staff and customers identified a number of issues in relation to 'labelling':

- Inconsistent approach between housing offices
- Lack of clarity leading to confusion over who can apply for what
- Large number of homes available for 55-60-year-olds felt by some service-users to indicate a lack of demand; why are these homes not being used for other households?

Service users varied in their approach to bidding; some said they would bid for a property regardless of their eligibility for that home (eg, household size) while others said they would not.

- 3.3.6 The key message on customer choice and empowerment is that users and their advisors are frustrated by outcomes, ie, lack of suitable properties. This has resulted in dissatisfaction with YCH. Although this is understandable, the perception fails to understand that the CBL system focuses on processes rather than outcomes. An important recommendation (see section six) is, therefore, to continue to highlight to customers the role of YCH and its policies, procedures and processes. In addition, there is a need to ensure that information about the social housing market is readily available so that users can balance aspirations with realism in their bidding behaviour.

3.4 Culture

- 3.4.1 A key aim of the system is to *'to change the culture of the lettings service from complex assessments and complicated priorities to one based on customer choice and empowerment'*.
- 3.4.2 With the exception of a few service users, most participants in the review process felt the introduction of the scheme had been a positive move and that there should be no intention of returning to the old scheme. Indeed government policy makes it clear that this will not happen.
- 3.4.3 Managers from YHN report a gradual culture change in staff administering the scheme to understanding that those in housing need are customers – this change has been hindered by lack of information and perception that priority card holders are primarily being awarded homes. There are plans for further staff training – although these have not been instigated yet – and YHN plans to modernise services should assist in changing the culture.
- 3.4.4 The majority of service-users thought it was clear that they had to be pro-active in seeking a home through the scheme, but that more information would provide some certainty and control over the choices they make.
- 3.4.5 The recommendations on the short-term operational improvements in chapter six should ensure that change in culture is even more strongly embedded among customers and staff.

3.5 Lettings system

- 3.5.1 A key aim is to establish a *'fair, efficient and open way of letting homes – simple, quick, and convenient'*. Because of the composition of the nature of the discussion groups and interviews, this aspect was one of the most debated issues.
- 3.5.2 Although there is general acknowledgement that the scheme is more open and transparent than the previous system, particularly reducing the influence that officers and elected members had over lettings, the lack of information about the scheme has fuelled perceptions that the scheme is not fair. The lack of up-to-date feedback information on completed lettings is a significant problem.
- 3.5.3 There is a need to clarify certain roles and responsibilities of the Council and YHN in relation to the scheme to ensure it achieves its objectives. A re-occurring theme was a concern over the consistency of the operation of procedures and advice and support though few specific examples were brought forward to illustrate this problem.

3.5.4 There is support to develop the scheme to offer a greater range of housing options, particularly as the supply of social housing in Newcastle is limited.

3.5.5 Scheme administration and management: this has contributed to the many and varied perceptions service-users and stakeholders have about the scheme and its efficiency and transparency in letting homes. Particular issues raised include:

- A lack of monitoring and management information across a wide range of issues – who is accessing homes, where are those homes, how many priority cards have been awarded and by whom, use of management lets, etc. No feedback reports since November 2004
- Inconsistencies in eligibility and verification checks between housing offices and by the property shop. This is particularly in relation to rent arrears – level and length of time since accrued – and the use of the safer estates check to identify anti-social and/or criminal behaviour. Inconsistency was viewed by one member of YHN staff as flexibility
- Timing and thoroughness of reference checks – information has not been requested, is out of date at the time of offer, eg, rent arrears developed, service-users have been kept waiting for confirmation of eligibility where there have been reference issues, eg, a previous owner occupier
- Lack of information sharing between YHN and council teams, affecting the lack of feedback and support on policy and procedural discretionary areas, including feedback from appeals panel
- Insufficient training available to staff beyond the introduction of the scheme and the clear need for further training
- The speed of letting homes is affected by a number of external factors including popularity of the property, the number of priority card holders bidding, the type of property, eg, if adapted, etc – there is some room to improve the process
- The property shop received criticism from staff, stakeholders and service users in relation to lack of response and information when requested – most identified that this was due to a lack of resources.

There is also a perception – on a minor scale – that housing office staff are manipulating the system, for example awarding a greater length of residency, sending out non-YCH letters, etc. Staff at a senior level in

both YHN and the council are aware of these instances but feel it is an uphill struggle to prevent it from happening.

The removal of the eligibility/verification process from the housing management function was suggested by some YHN staff and agencies, principally to address inconsistencies and the potential conflict of interest (respectively). This was supported by stakeholders and staff at later interviews/focus groups. For example it would encourage housing associations to participate in the scheme.

The scheme has been running with an IT system that is not able to provide the management with information needed to effectively monitor the scheme, or provide information to service-users. YHN staff also felt the system hindered their administration of the scheme. The IT system is in the process of being replaced, alongside a bid for staff resources to undertake monitoring. Stakeholders expressed a strong desire for their information requirements to be considered in commissioning the IT system.

There is recognition that staff training needs to be updated by all staff participants; this has not been delivered yet.

The council, and in particular the strategic housing function, acknowledges that its involvement in the scheme has been minimal as a result of resource issues. However, there are plans to recruit a new post to manage social housing more effectively – this will include monitoring the YCH scheme.

More effective communication between the council's strategic function and the YHN is felt to be needed by some stakeholders.

There are plans in YHN to modernise 'front-end' services and undertake a housing management review. This action is likely to impact on the administration of YCH, in particular addressing staff resistance to change, consolidating housing offices and staff (this should reduce inconsistency) and considering specialist staff roles in lieu of generic tasks.

- 3.5.6 Efficient and effective management of social housing: of those interviewed who had a strategic view of the scheme, the majority questioned whether the scheme in its current form offers the most effective way of managing the available housing stock. There is a tension between meeting housing need and developing sustainable and balanced communities; it is widely recognised that the policy and housing market environments were considerably different when the scheme was introduced. Any amendments to the scheme should be in the context of the developing housing strategy.

Regeneration and strategic housing staff would like the sustainability objectives of the scheme to be more explicit, particularly in terms of

identifying where existing stock should be let rather than replaced, and where attracting particular household types is desirable. This could extend to increasing the mix of black and minority ethnic households in an area. In fact, information on lettings is fed into the estate-based planning and sustainability model to help determine the future of neighbourhoods.

Staff, stakeholders and service users would like the scheme to be more flexible to recognise different housing need. A number of stakeholders and staff suggested introducing a quota system to ensure that housing need was addressed – this could be on a city wide basis or linked to local lettings – but there was concern from some that such a scheme should not result in only low-demand housing being left once the quota was used.

There was support from councillors and the YHN Chief Executive for introducing incentives to make better use of under-occupied homes.

3.5.7 Council homes – housing management lets: despite recent action by YHN to ensure decisions taken with regard to housing management lets are open and transparent (based on Audit Commission criticism), the widely held view remains that housing management lets allow local housing offices too much discretion in the allocation of homes.

Housing management lets are generally used for households deemed ineligible; there were some reported difficulties in housing offices agreeing to these and whether this policy is sustainable.

A few service users reported seeing vacant homes – sometimes for long periods of time – and being informed by YHN staff that these were housing management lets. They did not understand the purpose of these and were suspicious of their use.

3.5.8 Housing association homes: the inclusion of housing association homes within the scheme was raised by all participants:

- Service-users were generally under the impression that to access housing association homes you had to be registered with the scheme - many were not registered separately with housing associations
- The perception amongst stakeholders (excluding the associations) is that only the worst housing is advertised through the scheme and that associations are 'cherry-picking' homes and tenants
- Associations should accept bidders based on their eligibility to the YCH scheme

- Associations should be more proactive in seeking to provide housing for, in particular, homeless households and refugee households
- Historically there has been a poor relationship between the council and housing associations.

The housing associations have a different perspective:

- Homes in attractive areas rarely become available – hence their apparent non-inclusion in the scheme. Having said that, the Associations considered that YHN was undertaking a similar exercise through ‘housing management lets’ and have taken this approach in the past
- The administration of the scheme is a concern, in particular the process of verification and reference checks in relation to both its robustness and its cumbersome nature
- The time taken to let a property through the scheme has affected relet performance
- Housing associations feel some commitment to meeting the needs of their own waiting lists and that their policies enable them to be more flexible to meet housing need
- Improvements and information would increase clarity and transparency and encourage the associations to be stronger in their support of the scheme.

The council, YHN and associations feel that the introduction of nominations agreements will go some way to resolve issues raised; in particular it will increase the number of homes made available to homeless households and refugees.

Housing associations have also been offered IT system training to improve administration of the scheme; the associations feel this is a positive move.

The associations would like further involvement in enhancing the scheme – they report a positive experience at Blyth. However, the desire for complete ‘buy-in’ from associations by the council and other stakeholders is not supported at this stage.

- 3.5.9 Private rented homes: stakeholders, staff and service users were asked if they thought the inclusion of homes in the private rented sector in the scheme would be a good idea:

- Some service-users – particularly from the black and minority ethnic community – expressed a preference for living in the private rented sector as they felt they could choose a better area to live
- All participants expressed concern that housing would have to be affordable, but that if the scheme is being used by a wider range of households then this type of accommodation may be attractive to some customers
- Shelter is concerned that the inclusion of accredited landlords in the scheme implies that those applicants who are ineligible for the scheme will have no choice but to live in the poorer private sector housing. More work to address ineligibility and support to these applicants would go some way to resolve this issue
- Complexities would arise from service users seeking to move between tenure types and the potential for landlords to ‘cherry-pick’ tenants.

3.5.10 The key messages from this focus on the lettings process are that the system is moving towards a fair, efficient and transparent system. But there are a number of improvements needed which both the council and YHN are aware of and are working on. We would emphasise the following points:

- Development of a broader housing options approach incorporating for example, private-rented properties and an incentivisation scheme to deal with under occupation so that alternative ways of tackling individual housing problems are available
- Moving towards a single comprehensive CBL system incorporating all social housing
- Greater consistency in the administration and management of the system that can be achieved through regular training and briefing sessions especially for staff
- Greater availability of monitoring information on changing patterns of bidding, etc, so as to improve investment and regeneration decision-making.

3.6 Stimulate new markets and new interest in council homes

3.6.1 Most stakeholders felt the scheme had successfully stimulated new markets and new interest. In particular:

- There is demand for previously low-demand and soon-to-be demolished homes – some homes will not now be demolished

- Increased awareness of social housing as a housing option and location of council homes resulting in successful bids
 - Customers are considering other areas when they see that homes are available, and perceptions of some areas have improved.
- 3.6.2 The lack of interest in properties in particular areas has also reinforced opinion/data about low demand and sustainability issues and has enabled demolition.
- 3.6.3 Stakeholders outside the council and YHN had less to say on this subject, reflecting a lack of knowledge.
- 3.6.4 All stakeholders and staff recognised that the housing market had changed since the scheme was introduced but felt that the scheme had still made a significant impact.

Although most feel that the approach to marketing so far has been professional, it has belied the fact that homes are ‘council homes’. There is limited room for some improvement in the way information is presented (small adverts, photographs not always included, lack of clarity in the text etc) and targeted (to attract ‘niche’ markets).

Marketing should be balanced with what can be offered – if new interest has been stimulated how can this be sustained? The scheme needs to offer more housing options.

- 3.6.5 Clearly the aim of opening up new interest in council housing is being achieved and this is helpfully impacting on decisions about the future of some neighbourhoods.

3.7 Needs of vulnerable households

- 3.7.1 A key aim of the scheme is to ‘*support vulnerable people and people in immediate need; to enable them to engage in the scheme and exercise effective choice*’. As we have already pointed out, the approach adopted in the qualitative research centred on a wide range of vulnerable groups and this section records the perceptions rather than the realities on housing allocations. The engagement with participants resulted in much debate on negative and positive aspects of YCH. An implicit assumption of some stakeholders is that the system does not benefit vulnerable households. However, our data analysis in sections 4.6 and 4.7 paints a rather different picture. We therefore suggest that the council and YCH should highlight the fact that the reality for vulnerable households is different from perceptions – vulnerable households are not losing out from YCH.

Furthermore, our qualitative research and discussions with council and YHN staff on our interim report and presentation has generated details and issues about policies and procedures. It should be noted that much

of the evaluative research on CBL schemes² and ODPM good practice guidance³ has emphasised that while detailed procedures should not be ignored, it is advice and support for vulnerable groups that is critical in achieving the aim of YCH (highlighted in italics above). We therefore believe that a priority for the council, YHN and other stakeholders should be to further enhance advice and support for CBL rather than to marginally refine existing policies.

3.7.2 Although some participating stakeholders represented particular household groups, opinions on how vulnerable people and people in immediate need were engaged in the scheme were largely unanimous. It should be noted that because of changes in other policy areas, some of the positive and negative comments attributed to YCH are incorrect. Again, we would also want to reiterate that many of the comments relate to outcomes and the lack of availability of suitable properties. As we have frequently pointed out this is not a YCH issue (as it is concerned with processes not outcomes).

3.7.3 There have been a number of positive developments by the council and YHN in relation to supporting vulnerable households since the scheme was introduced, including a project to enable access to the scheme by people who are in hospital, and work to offer young people a 'pathway' to housing rather than through the homelessness route. Plans for the immediate future include expanding the role of the relocation and resettlement team to offer support to vulnerable households and households in immediate need, and encouraging housing managers to review priority households before the three month period expires.

YHN staff and stakeholders identified that an improved dialogue would enable them to make the best use of their strengths, particularly in offering advice and support to vulnerable households.

The review process also identified some different views on the roles of YHN, advice and support workers and the resettlement team in particular in providing support to households to resettle.

3.7.4 Immediate need: although there has been work to ensure the system for awarding priority is more rigorous – and some staff closely involved in the development of the scheme felt they had more confidence in the system – it came under criticism from some of those participating in the review. Common issues raised by staff, stakeholders and service users included:

- Customers 'chasing' priority cards rather than points

² ODPM (2004): Piloting Choice-Based Lettings – An Evaluation: London: ODPM

³ ODPM (2005): Implementing and Developing Choice-Based Lettings: London, ODPM

- Perception that priority card holders are allocated more homes, particularly in popular areas – although this is not borne out in reality
- The priority ‘band’ is too wide – no recognition of different types of need within a band
- ‘Priority’ is awarded inconsistently – there is a staff training issue
- Lack of information to enable service users and their advisors to understand if they are eligible for priority status
- Three months is not enough time to access a suitable home given the current market – although it is helpful to prompt a review by staff
- Many households with a medical priority get an extension
- The three month period and appeals process is not widely understood and is felt to be ‘cumbersome’.

3.7.5 YHN and council staff identified the issue of relocating households from regeneration/clearance areas, particularly from areas of mixed-tenure, and that this does not fit within the current scheme:

- Households are awarded indefinite priority and are felt to be selecting homes in the more popular areas to the detriment of service users with ‘length of residency’
- Households being relocated may not be eligible for the scheme – in these circumstances it was suggested that the option of being rehoused could be linked to agreement to improve behaviour
- Households have been offered ‘like for like’ or larger homes in the same area, outside of the scheme
- Households may want to remain together but it may be desirable to attract new households to previously ‘failing communities’
- For households returning to new-build, there is a need for access to temporary accommodation.

A service-user with relocation priority status felt strongly that owner-occupiers should receive the highest priority and be able to select an alternative property before advertisement. However, they acknowledged that there should be a time limit on securing housing which would provide certainty to both parties.

3.7.6 Stakeholders and service-users all felt that the scheme is not flexible enough to meet the range of housing needs that exist. Suggestions for amending the scheme include exploring 'swapping' priorities to enable households to relocate, eg, an older person swapping with a family and extending the length of priority depending on the household circumstances, eg, in recognition of a medical priority.

3.7.7 The majority of stakeholders and staff had considered improvements to the priority system which include:

- Introduction of a quota system – on a city-wide or local basis
- Different priority card periods depending on the level of need
- Banding within the priority system
- Reconsider the indefinite priority card status awarded for relocation cases
- Systematic sampling of decisions to grant/refuse priority cards.

Some service-users – including those without a priority – thought that homes should be allocated to those in priority need and the remaining properties be advertised.

3.7.8 Our interpretation of these various views and opinions are that in broad terms, the criticisms of YCH reflect a frustration with the lack of suitable and available properties. Many of the suggested improvements and alterations to the policies deal with symptoms rather than the basic underlying cause – the lack of social housing. For example, changing and modifying priority card systems will simply benefit some households at the expense of others.

3.7.9 Vulnerable households: a number of vulnerable households were identified by participants as either not accessing the scheme or as potentially disadvantaged by the scheme. Themes common to a number of vulnerable household groups include:

- Inconsistency in the eligibility process leading to these households being disadvantaged; a suggestion was to take a case conference approach to determining eligibility and making links to support – this is being developed for young people, and
- 'Length of residency' discriminating against households, for example people living in temporary accommodation and support schemes, young people, refugees, householders leaving a relationship, etc. Service-users identified that 'length of residency' is an issue for any household which may have a valid reason for moving.

Of course, these comments indicate there is a failure to appreciate that this is a priority system for vulnerable households which appears to meet legislative requirements.

Many of those participating in the review process requested that more information be provided to enable them to assess the impact of the scheme on the vulnerable groups they represent, and to enable their informed contribution to improving the scheme. Information requested includes:

- Expressions of interest from black and minority ethnic households and allocations
- Patterns of bidding for all vulnerable groups and
- Long-term monitoring of length of tenancies.

We consider that our recommendations (in chapter six) will address these concerns:

- Proactive advice and support for households identified through the monitoring process as either bidding inappropriately or not using YCH
- Monitoring the outcomes of the allocations and lettings process
- Regular training and briefing sessions for staff and external agencies
- More up-to-date feedback on completed lettings.

3.7.10 There was agreement that the scheme should be even more pro-active in supporting vulnerable households. We concur that proactive advice and support should be developed and that the council and YHN should consider the following ideas. A number of suggestions were put forward for a wide range of groups.

Older households

The ability of older people to access the scheme and be proactive was discussed by a number of participants; the level of participation by older households is a potential concern. Initiatives to enable participation include a recent scheme for people in hospital and support from YHN housing staff who have identified where an older person is not submitting expressions of interest. However, the latter needs to be consistently offered by all staff.

Households experiencing relationship breakdowns

The ability of people who have left their previous home because of a relationship breakdown to access a home through YCH was raised by YHN, councillors and service users:

- The scheme does not recognise length of residency in the former (including marital) home unless this is the current address
- The criteria for the length of time a child lives with a parent discriminates against households who have responsibility for only part of the week.

The ability to access accommodation suitable for children is felt to impact on the likelihood of a parent being awarded some access to their children. The old scheme anecdotally allowed some priority to be awarded to this situation.

Single households

The limited supply of accommodation for single people combined with length of residency, lack of priority status and high rents in some areas (for example due to concierge services) was felt by some to disadvantage single people and young people, particularly those not on housing benefit.

People with a physical or sensory disability

There is a greater proportion of households with a disability in Newcastle compared to the national picture. The process for allocating adapted or other suitable homes to people with a disability is not felt to be efficient, despite a 'model' of specialist workers – including an occupational therapist – making the links between available housing and customers. Some staff expressed concern that there are 'tensions' in the system that prevent the model from working effectively. YHN staff felt that the system does not allow users to be pro-active in expressing choice; service-users wait until they are contacted about an available home and often refuse on the basis that the property does not match their requirements or is in the wrong location. This situation is exacerbated by lack of staff resources to ensure that offers are made that will match the service-user's requirements.

There is concern that access to the 'hard of hearing' may be difficult.

Young people

Work is underway to develop 'pathways' of housing and support for young people to access housing; accommodation is only available under the current system to 16-17-year-olds if they are homeless.

'Length of residency' is considered as a potential barrier for young people (and the Audit Commission inspection report raised this issue).

It is important that young people are offered a choice of where they live if they are to sustain their tenancy; this is likely to be in the area they originate from to access family and support networks.

People with mental health problems

Although existing support mechanisms were felt to be good – developmental work involved mental health representatives – the eligibility process was felt to be inconsistently applied to people with a mental health problem.

Black and minority ethnic community

Staff and stakeholders raised the issue of potential disadvantage from the 'length of residency' criteria for applicants. However the focus group did not identify that this was a particular issue – although the profile of those attending clearly identifies a much shorter length of residency compared to other service-user focus groups.

A general lack of understanding about the scheme was felt to be a disadvantage – again borne out by the number of enquiries made about the scheme at the service-user group, compared to other service-user groups – and a request for information in another language by three of those attending. The majority of service-users were seeking family accommodation ranging from two beds to four beds – the lack of properties of this size was identified as a problem.

A number of customers expressed a desire to move because of neighbourhood nuisance. Support to address these problems may negate households moving – most wanted to remain in the same area.

It is important to note that our data analysis in the next chapter suggests a much more positive picture re black and minority ethnic households and YCH.

Asylum-seekers and refugees

The time period (two to three weeks) within which refugees have to move from NASS-contracted accommodation effectively limits choice; households are reliant on housing management lets and 'immediately available'.

The area of relocation and size of accommodation is particularly important in ensuring these households are able to sustain their tenancy and contribute to the community; lack of choice will detract from this.

Homeless households

There is a perception amongst staff and stakeholders that the number of households with a priority as a result of homelessness is on the increase. Council and YHN staff acknowledge that the lettings policy is unclear on 'length of residency' for households living in temporary

accommodation and support schemes and that this needs to be addressed.

The council has sought best practice from other CBL schemes in relation to offering choice to homeless households in temporary accommodation but have not found any solutions. There is a limited amount of emergency accommodation in Newcastle so move-on from this has to be relatively quick.

There is a desire that the scheme develops to recognise households at risk of homelessness and award some form of priority to prevent this from occurring. Some stakeholders expressed concern that the CBL agenda is 'at odds' with the prevention agenda.

It is not known if homeless households not offered a choice of home sustain their tenancies – some stakeholders requested that this is monitored.

The number of homeless households to be rehoused through the scheme is anticipated to increase through the new nominations agreements.

Ex-offenders

A number of stakeholders felt that the eligibility process excludes ex-offenders, in particular excluding people on the basis of a non-relevant offence, eg, shoplifting. The inability of ex-offenders to access accommodation is impacting on supported housing schemes, which are unable to secure move-on accommodation for their clients.

There are reported inconsistencies in the approach taken by housing offices to assess the eligibility of applicants with a conviction; some require supporting information from agencies where others don't want any additional information.

People with substance misuse problems

The North/North West Drug and Alcohol Forum and East End Drugs Forum identified a number of difficulties accessing homes for clients through the scheme, primarily because of the eligibility criteria and the likelihood that clients have a conviction and/or rent arrears.

Inconsistencies in the approach to eligibility by housing offices has led to agencies not knowing what the best approach is to resolve housing issues.

Some support schemes report it taking 18 months to be able to move a client on – this is silting up support services.

Ineligible applicants

There are inconsistencies in how the scheme is administered in relation to ineligible households. A number of staff and stakeholders identified that scheme applicants who are ineligible are not being

offered enough advice and support to enable them to become eligible. This is a particular issue for agencies such as Shelter; ineligible applicants are seeking assistance but do not know on what basis their application has been refused, making it hard to assist them.

Not much is known about those ineligible applicants who do not seek a review of their eligibility; there is a perception that applicants seek housing in the private-rented sector and that the reasons for their ineligibility are not dealt with, potentially contributing to the unsustainability of private sector areas.

The letter regarding ineligibility allows for discretion from the housing manager; additional information about support agencies, etc, is not given or inconsistent. Managers request better training and information to enable this to happen.

Ineligible applicants can be allocated housing through housing management lets (if in urgent need) or through 'always available'; the property shop advises ineligible applicants to visit housing offices where there are 'always available' properties but some YHN staff said they were not advertising these.

Large families

Some stakeholders and service-users felt that large families, regardless of heritage or other background, eg, refugee status, were disadvantaged by the lack of supply of large family accommodation, combined with lack of flexibility in the scheme to use existing family accommodation more effectively (eg, through under-occupation incentives, awarding priority to older people to 'free-up' a family home, etc).

3.8 Sustainable communities

3.8.1 A further aim of the scheme is to *'strengthen and sustain communities by increasing customer commitment to their home'*.

3.8.2 The widely-held view by staff and stakeholders is that there has been increased customer commitment to homes as a result of the scheme.

3.8.3 There was an unexpected outcome of the scheme; YHN tenants sought to reduce rent arrears in order to enable their participation.

3.8.4 The issue of local lettings and the scheme was raised by a wide range of staff and stakeholders. In particular:

- 'Length of residency' in high-demand areas is not enabling existing residents sufficient priority to move within that area – this applies to older people seeking to downsize and to families with children, both of whom wish to remain close to their existing care and support networks

- There is a danger that only allocating homes in popular areas to priority households will impact on the community mix
- The perception that only households with a priority will be able to access popular areas is fuelling 'priority chasing' and causing frustration for those who are not a priority
- The scheme does not enable local objectives to be sufficiently met, eg, regeneration, desire to attract different type/mix of households etc
- A system which combined local lettings and quotas for particular households would be supported by a number of staff, stakeholders and councillors.

3.9 Conclusions and recommendations

3.9.1 As was indicated in the introduction to this section, qualitative research has highlighted a wide range of views. Some of these are positive – for example, the majority of stakeholders prefer the new system compared to the previous approach. Other findings are less positive with many service-users having concerns about aspects of the process and the outcomes.

3.9.2 It should, of course, be remembered that the findings of this qualitative research are based on stakeholder perceptions rather than empirical fact. Indeed senior officers are confident that they can rebut some of the views that they see as misconceptions of YCH held by both customers and staff.

3.9.3 A number of overall interlinked recommendations emerge from this section:

- Importance of regularly reminding customers/service-users on how the scheme operates and that it is primarily focused on changing the allocations process – CBL is not able by itself to alter local housing market imbalances such as the lack of supply of suitable property in appropriate locations
- Need for regular training updates for staff directly and indirectly involved in operating YCH. This could be usefully extended to voluntary sector agencies and organisations as well as the health and social care sector
- Importance of continuing to engage with housing associations on the best way forward for establishing a single comprehensive CBL scheme for all social housing in Newcastle (which is a requirement of government policy – see section five)

- Need to work in collaboration with a wide range of agencies that provide support and advice to vulnerable groups. This should have two aims – to ensure that these organisations fully understand YCH and to identify service improvements for specific groups (which may extend beyond CBL)
- Further develop the housing options approach – suggestions from the qualitative research include developing a tenant incentive scheme to deal with under-occupation.

3.9.4 Finally, although there are many suggestions and recommendations arising from the qualitative research, it is important that any significant policy changes are linked to broader emerging strategies such as the development of the local housing strategy and the review of YHN.

4. ‘Your Choice Homes’ and the changing local housing market

4.1 Introduction

4.1.1 The aim of this section of the report is to examine the fundamental questions of ‘who wanted which housing’ and ‘who got which housing’ comparing patterns under the previous allocations and current choice-based lettings system. This analysis is dependent on the availability of data and suggestions for improving the provision of data for monitoring purposes are made throughout.

4.1.2 This section opens with a review of the changing local housing market then progresses to review the function of YCH in the wider market as the basis for examining patterns of access under the old allocations and new CBL systems.

4.1.3 It is important to highlight the relationship between allocations systems and changing local housing markets and in particular the limitations of the former . The key points are:

- Traditional allocation systems can compound neighbourhood decline where vulnerable households become concentrated on specific estates (without high levels of advice and support)
- Allocation systems (including CBL) are not able to transform high, low or polarised housing markets
- CBL systems change the process but not the outcomes, ie, popular property types and neighbourhoods will receive many bids from households – many of who will be unhappy and frustrated with their lack of success unless they have excellent information about social housing markets and can make trade-offs between ideal aspirations and realities

- Low demand areas will not be transformed by CBL – indeed they may become even less popular
- CBL monitoring information can be used at a macro and micro scale (eg, street level) to reveal changing patterns of demand that can be used to develop more appropriate investment strategies.

4.2. Data sources

4.2.1 Four main data sources have been used in the analysis:

- 2001 Census data
- Land Registry house price post-coded data
- CACI data in relation to population, household and income patterns based largely on 2001 Census and central government data sources. CACI stands for the ‘Californian Analysis Centre Incorporated’ and is an international company which also trades as the ‘Data Depot’ in Britain. Its demographic and income-related products are recognised as industry standards
- YCH stock and lettings data.

4.2.2 Please note that all percentages have been rounded to one decimal place. As a result, total percentages may slightly exceed or fall below 100%.

4.3 The structure of the local housing market

4.3.1 Our starting point is the structure of the housing market by tenure and property type. Table 1 summarises the current pattern by property type for all tenures in the context of the UK as a whole.

Table 1: population by main property types, 2001, percentages

Property type	Newcastle	UK
Detached house/bungalow	12.6	22.9
Semi-detached house/bungalow	38.8	30.8
Terraced	29.3	25.6
Purpose-built flat/maisonette	15.3	15.1
Converted flat/maisonette	3.0	3.8

(Source: 2001 Census)

- The proportion of detached houses is well below, and of semi-detached houses is well above, national averages
- The proportion of terraced houses is above the national average
- The proportion of flats is close to national averages.

The following table summarises population by tenure.

Table 2: population by tenure, 2001, percentages

Tenure type	Newcastle	UK
Own outright	22.3	27.9
Own with mortgage/loan	34.7	37.4
Shared ownership	0.4	0.6
Council rented	24.0	13.6
HA rented	5.1	5.7
Private rented	7.6	9.2
Other	0.3	0.3

(Source: 2001 Census)

The tenure structure is noticeably different from the UK as a whole in relation to:

- The lower level of home ownership
- The high level of council renting.

4.4 Changing patterns of affordability

4.4.1 In common with other areas of the UK, Newcastle has experienced a significant increase in house prices which has not been met by a comparable increase in incomes. The current income profile for Newcastle households is expressed in the following table.

Table 3: annual gross household income bands, percentages

Income band	Newcastle households	UK households
Up to £10k	23.2	16.9
£10-£20k	31.1	27.7
£20-£30k	19.8	20.8
£30-£40k	11.0	13.0
£40-£50k	6.1	7.8
£50+	8.9	13.5
Totals	100%	100%

(Sources: 2005 CACI PayCheck profile)

- Newcastle has a lower income profile than for the UK as a whole
- Over half of all households receive gross incomes of less than £20k per annum
- 15% receive gross incomes of £40k or more.

4.4.2 The significance of this income profile becomes apparent when compared with house prices. Table 4 summarises changing house prices in Newcastle over the past three years.

Table 4: number of sales, prices by property type and price change in Newcastle, Jan-March 2002 and 2005

Period	Detached	Semi-detached	Terraced	Flat/ maisonette	All properties	Total sales
Jan-March 2002	£150,359	£86,091	£84,014	£80,536	£87,570	1,231
Jan-March 2005	£300,918	£161,978	£141,005	£111,159	£146,236	844
Change over previous 3 years	+100.1%	+88.2%	+67.8	+38.1	+67.0%	Decline

(Source: Land Registry)

- Average property prices have increased by two-thirds over the past three years
- Ranging from just over one third for flats to a doubling in prices for detached homes.

4.4.3 The following table uses income profile data to provide a benchmark assessment of the proportion of households likely to be able to access owner occupation on the open market and assumes that:

- Households are purchasing at the most recent quarterly average price for the properties selected, and
- Households will be obtaining a 100% mortgage at 3.5 times gross income for a single person and three times gross income for couples. This is an optimistic assessment, no estimate is made for other costs incurred and no provision made for the impact of a deposit.

Table 5: accessing owner occupation in Newcastle upon Tyne

Property type	Average (mean) property price (000s) Jan-March 2005	Approx. gross household income required to access a 100% mortgage (single person)	Estimated access rate (% of households in receipt of income required)	Gross household income required to access a 100% mortgage (couple)	Estimated access rate (% of households in receipt of income required)
Lowest average price: flat/maisonette	£111,159	£30k	26%	£35k	20%
Lowest priced house: terraced	£141,005	£40k	15%	£45k	12%

The dramatic impact of recent house prices on the financial accessibility of market housing is graphically illustrated by this benchmark assessment such that:

- Incomes required to access lowest value properties at their most recent average price are only available to between 20% and 26% of local households, and
- Incomes required to access lowest priced (terraced) houses at their most recent average price are only available to between 12% and 15% of local households.

Of course, city-wide figures simplify a much more complex pattern with prices for some terraced properties and flats in some areas being relatively low. Nevertheless, in such a situation, an increasing demand for more affordable options, and especially for social housing is inevitable especially among households who might have previously considered owner-occupation.

4.5 **Your Choice Homes in the Newcastle housing market**

4.5.1 This section summarises YCH properties in the Newcastle housing market by type, bed size, location, stock change and condition.

4.5.2 Table 6 summarises YCH properties by property type and bed size.

Table 6: total YCH properties by property type and bed size, April 2005

Property type	1 bed	2 bed	3 bed	4 bed	5 bed +	Total no.	Total %
House	19	4,246	11,028	639	9	16,025	51.1
Bungalow	1,150	256	78	1	0	1,485	4.7
Flat	5,050	7,233	475	26	0	12,784	40.7
Maisonette	294	329	454	20	1	1,098	3.5
Total no.	6,513	12,064	12,035	686	94	31,392	100%
Total %	20.8	38.4	38.3	2.2	0.3	100%	

(Source: YCH data)

The following key findings are identifiable for over 31,000 properties:

- The dwelling stock is almost equally divided between houses (51%) and flats/maisonettes (46%), one property in 25 is a bungalow
- For every 25 properties, 13 are houses; 11 are flats or maisonettes and one is a bungalow
- The dwelling stock is dominated by smaller units; of every 25 properties, five are one bed, 10 are two bed, 10 are three bed, only one in 50 is four bed or larger.

4.5.3 From data concerning the location of stock:

- The largest housing stocks are held at Blakelaw, Byker, North Benwell and North Kenton
- One and two bed properties are concentrated at Blakelaw, Byker, Cruddas Park and Shieldfield
- Three and four bed properties are concentrated at Newbiggin Hill, Newburn, North Kenton and St Anthony's
- Bungalows are concentrated at Blakelaw, Gosforth, Newburn and North Kenton
- Houses are concentrated at Blakelaw, Newbiggin Hall, Newburn and St Anthony's

- Flats are concentrated at Avison Street, Blakelaw, Cruddas Park and Shieldfield.

4.5.4 The housing stock has not remained stable, over the past decade properties have been lost through the right to buy and demolition has taken place in low-demand areas. Table 7 summarises YCH stock losses identifying neighbourhoods particularly affected.

Table 7: YCH stock losses, January 1995-April 2005

Selected neighbourhoods	Right to Buy sales	Demolitions	Stock losses
Blakelaw	316	86	402
Cruddas Park	27	472	499
Fenham	250	185	435
Heaton	351	72	423
Newbiggin Hall	188	393	581
Newburn	371	207	578
North Benwell	73	474	547
North Kenton	357	119	476
Scotswood	30	878	908
West Denton	385	131	516
Total	7,019	7,671	14,690

(Source: YCH data – the totals reflect overall city-wide figures and not just the specific neighbourhoods highlighted in the table)

For over 7,000 right to buy sales and 7,700 demolitions in the last 10 years:

- Right-to-buy sales have been concentrated at Blakelaw, Fenham, Heaton, Newburn, North Kenton and West Denton (see table above) as well as in Gosforth, Castle and Grange where no demolition has taken place
- Demolitions have been concentrated at Cruddas Park, Newbiggin Hall, North Benwell and Scotswood.

4.5.5 YCH faces a major challenge in terms of meeting the Decent Homes standard; Table 8 identifies stock condition by property type.

Table 8: the condition of YCH properties by type at 1 April 2005

Property type	Total	% below Decent Homes standard
High rise (six storeys and over)	4,851	95.8
Sheltered	968	82.0
Mid rise flats (three to five storeys)	4,574	80.7
Low rise flats (up to two storeys)	4,003	75.8
Houses	17,469	74.8
Bungalows	1,412	73.6
Total	31,392	83.7

(Source: YCH data)

Problems of non-Decent properties are concentrated in flats, and especially in high-rise flats, followed by houses then bungalows.

4.5.6 From data examining condition by location:

- Decent properties are concentrated in Monkchester, Walker, Fawdon and Kenton wards
- Non-Decent properties are concentrated in Byker, Walker, Woolsington and West City wards.

4.6 The previous allocations system: points and priorities

4.6.1 Who applied for and who was allocated housing under the previous allocations system?

The question of 'who got what housing' under the old system is explored by household type, ethnicity, points and priorities.

4.6.2 Table 9 summarises waiting list and allocations data by household type.

Table 9: the waiting list by household type at 31 March 2003 and allocations, 1 January – 31 March 2003

Household type	Applications		Allocations	
	Numbers	Percentage	Numbers	Percentage
Couple/single (less than 26 years of age)	2,287	19.7	241	19.8
Couple/single (26-39 years of age)	1,840	15.9	205	16.8
Couple/single (40-59 years of age)	1,365	11.8	167	13.7
Pensioner/couple (60+years)	1,191	10.3	117	9.6
Small family (less than 5 people)	4,173	35.8	429	35.2
Large family (more than 4 people)	745	6.4	61	5.0
Total	11,601	100%	1,220	100%

(Source: YCH data)

- Allocations reflected very closely the composition of the waiting list in 2002-3
- Applications and allocations were dominated by single people and couples.

4.6.3 Table 10 summarises applications and allocations by number of persons in the household.

Table 10: the waiting list by number of persons in the household at 31 March 2003 and allocations, 1 January – 31 March 2003

Number in household	Applications		Allocations	
	Numbers	Percentage	Numbers	Percentage
1	5,649	48.7	389	31.9
2	2,726	23.5	487	40.0
3	1,630	14.1	319	26.1
4	887	7.7	24	2.0
5	424	3.7	1	0
6+	285	2.5	0	0
Total	11,601	100%	1,220	100%

(Source: YCH data)

- When considered in this way, there is a less precise fit between applications and allocations, which is almost certainly a reflection of the stock available by bed size
- Households of one or two people dominated both applications and allocations
- Households of four or more people were very unsuccessful in obtaining accommodation, and larger households had no success at all for the period considered.

4.6.4 The following table summarises the waiting list and applications by ethnic origin.

Table 11: the waiting list by ethnic origin of main applicant, at 31 March 2003 and allocations, 1 January – 31 March 2003

Ethnic origin	Applications		Allocations	
	Numbers	Percentage	Numbers	Percentage
African	73	0.6	15	1.2
Bangladeshi	386	3.3	43	3.5
Caribbean	11	0.1	1	0.1
Chinese	21	0.2	3	0.3
European	42	0.4	6	0.5
Indian	21	0.2	1	0.1
Pakistani	48	0.4	3	0.3
UK	8,076	69.6	856	70.2
Other	181	1.6	24	2.0
Not recorded	2,742	23.6	268	22.0
Total	11,601	100%	1,220	100%

(Source: YCH data)

- The proportion of allocations by ethnic origin closely reflected their proportion of the waiting list, and
- The only notable exception was for African applicants whose proportion of allocations was twice their proportion as applicants.

4.6.5 Table 12 summarises the waiting list and allocations by points and priorities.

Table 12: the waiting list by priorities and points at 31 March 2003 and allocations, 1 January – 31 March 2003

Priority	Applications		Allocations	
	Numbers	Percentage	Numbers	Percentage
Points	10,470	90.3	892	73.1
Homeless	158	1.4	121	9.9
Clearance/decants	214	1.8	82	6.7
Family support	111	1.0	66	5.4
Harassment/nuisance	57	0.5	35	2.9
Absolute medical	125	1.1	20	1.6
Management	1	-	0	-
Homes scheme	12	0.1	4	0.3
Other	453	3.9	0	0
Total	11,601	100%	1,220	100%

(Source: YCH data)

(NB—we intend to seek further clarification over the ‘management’ and ‘other’ priority categories as we anticipate that there is overlap)

- As might be anticipated, priority cases were more successful in obtaining properties than those with points
- Homeless households received the greatest priority with an allocation rate seven times their proportion on the waiting list.

4.6.6 What type of housing was let under the old system?

We have considered this question for the final quarter under the previous allocations system as follows.

Table 13: properties let by property type and bed size, 1 Jan – 31 March 2003

Property type	1 bed	2 bed	3 bed	4 bed	5 bed +	Total lettings	Total lettings	Total stock
House	1	151	287	21	1	461	37.8%	51.1%
Bungalow	58	3	3	0	0	64	5.2%	4.7%
Flat	311	325	17	2	0	655	53.7%	40.7%
Maisonette	19	8	12	1	0	40	3.3%	3.5%
Total lettings	389	487	319	24	1	1,220	100%	100%
Total lettings	31.9%	40.0%	26.1%	2.0%	0.1%	100%		
Total stock	20.8%	38.4%	38.3%	2.2%	0.3%	100%		

(Source: YCH data)

The following key findings are identifiable for 1,220 lettings:

- Lettings of one-bed properties and flats were higher than their proportion in the stock which implies a higher turnover
- Lettings of three-bed properties and houses were lower than their proportion in the stock which implies lower turnover.

4.7 The new system: choice-based lettings

4.7.1 Who registered under the new system?

We have been able to review registrations under the new system for a complete 12-month period to 31 March, 2005 which can be compared

with data for the last year under the old system to March 2003 for all applicants, by ethnic origin and for 'priority cases'.

- 4.7.2 Just over 13,000 people were registered at the end of March 2005 compared with 11,601 applicants who were registered at the close of the old system. Just over 60% (7,969) were 'active' at the end of March 2003. Nearly 40% of customers were waiting to be deleted as part of the re-registration process.
- 4.7.3 After taking into account the number housed or withdrawn during the year, the number registered at 31 March 2005 represents a significant increase compared with the same situation at March 2003.
- 4.7.4 The recording categories for applicants have been changed under the new system and therefore, it is difficult to make direct comparisons between 'old' and 'new' registrations. For example:
- 'Family composition' is a new category for both household type and size, but the very wide range of identifiers used makes comparative analysis very complex and time-consuming
 - 'Ethnic origin' categories now conform with those used in the 2001 Census but direct comparison is not possible for the new categories used
 - Similarly 'priority' categories have been amended and widened making direct comparison less easy.

Recommendation: we would strongly recommend reviewing the 'family composition' category for applicants and those housed to enable monitoring to be undertaken separately by household type and number in household.

- 4.7.5 However, limited comparisons between the old and new systems are possible for ethnic origin and 'priority cases' and these are provided below.

Table 14: the number of waiting list and CBL registrations by ethnic origin of main applicant, March 2003 and 2005

Ethnic origin	Registrations at year end	
	2003	2005
African	73	125
Bangladeshi	386	91
Caribbean	11	19
Chinese	21	36
Indian	21	19
Pakistani	48	64

(Source: YCH data)

- There is a large increase in the number of registrations from African applicants and increases from Chinese and Pakistani applicants, and
- A dramatic fall in the number of Bangladeshi applicants.

Recommendation: these changes in registrations require further exploration and explanation in order to satisfy the council and its partners that, for example, the application process is not disadvantaging specific black and minority ethnic groups.

4.7.6 Table 15 reviews registrations by ethnic origin for the period April 2004 – March 2005, and total ‘active’ registrations at the end of the period. Care must be taken in reading too much into this statistic as there can be many reasons why a group is more or less ‘active’ at the end of a period – including more success in gaining housing.

Table 15: registrations by ethnic origin of main applicant, April 2004 – March 2005, and active registrations at March 2005

Ethnic origin	All registrations		Active registrations	
	Numbers	Percentage	Numbers	As % of annual registrations
African	270	2.1	125	46
Caribbean	32	0.2	19	59
Other Black	34	0.3	22	65
Chinese	76	0.6	36	47
Bangladeshi	124	1.0	91	73
Indian	36	0.3	19	53
Pakistani	101	0.8	64	63
Other Asian	162	1.2	76	47
White British	11,340	86.6	7,042	62
White Irish	73	0.6	39	53
Other White	321	2.5	165	51
White & Asian	73	0.6	40	55
White & Black Caribbean	29	0.2	19	66
White & Black African	91	0.7	41	45
Other mixed	63	0.5	42	67
Other ethnic origin	227	1.7	17	52
Total/average	13,099	100%	7,969	61%

(Source: YCH data)

- Most registrations were from White British applicants (87%), the largest ethnic minority groups were 'other white', African and Bangladeshi
- The group with the highest rate of registration at the end of March 2005 was Bangladeshi, the lowest were African and Chinese.

Recommendation: again, these patterns in registrations require further exploration and explanation in order to satisfy the council and its partners that, for example, the application process is not disadvantaging specific black and minority ethnic groups. We would particularly recommend a focus on Bangladeshi households as the information in 4.7.5 and 4.7.6 suggests a decline in registrations but also that this is the major black and minority ethnic group seeking social housing.

4.7.7 A limited comparison of end of year registrations by priority cases under the old and new systems is provided in Table 16 below.

Table 16: the number of registrations by priorities and points, March 2003 and 2005

Priority	Registrations at year end	
	2003	2005
Clearance	214	19
Harassment	57	13
Homeless	158	117
Medical	125	102

(Source: YCH data)

- There has been a dramatic fall in the number of clearance 'priority cases' and falls in harassment, homeless and medical cases.

Recommendation: these patterns in registrations require further exploration and explanation in order to ascertain whether specific priority groups are being disadvantaged.

4.7.8 What type of housing was advertised under the new system?

Choice-based systems are led by the availability of housing and Table 17 summarises the properties advertised in the most recent quarter for which data are available.

Table 17: YCH properties advertised 10 Jan – 21 March 2005, by bed size

Property type	1 bed	2 bed	3 bed	4 bed	5 bed	Total No.	Total %	Total stock
House	0	66	117	6	1	190	18.9	51.1
Bungalow	46	4	2	0	0	52	5.2	4.7
Flat	546*	189	8	1	0	744	74.2	40.7
Maisonette	5	7	4	1	0	17	1.7	3.5
Total no.	597	266	127	8	1	1,003	100%	100%
Total %	59.5	26.5	12.7	0.8	0.1	100%		
Total stock	20.8%	38.4%	38.3%	2.2%	0.3%	100%		

(Source: YCH data)

(Note: * includes 58 x 1 bed sheltered units)

The following key findings are identifiable for just over 1,000 properties advertised in the first three months of this year. Of every twenty properties advertised:

- Twelve were one bed; five were two-bed and almost all the remainder were three bed
- Fifteen were flats or maisonettes, four were houses and one was a bungalow
- The high proportion of smaller properties, especially flats, implies high turnover and the reverse for larger properties, especially houses.

4.7.9 *What type of housing was let under the new system?*

Unfortunately, data has not been able to be generated by the ICT system to enable us to determine which housing – by type and bed size – has been applied for, the number and type of applicants and therefore the success rate by property and household types.

Recommendation: it is essential for monitoring purposes that data can be easily collated identifying which housing – by type and bed size – has been applied for, the number and type of applicants and the success rates by property and household types.

4.7.10 Although we do not know who it has been let to, the final and fundamental question we have considered is what type of housing was let under the new system. Table 18 summarises housing let by property type and bed size for the last complete year for which data is available compared with the first three months of 2003 under the old system.

Table 18: YCH lettings, 1st April 2004 to 31st March 2005 and allocations 1 January – 31 March 2003

Property type	1 bed	2 bed	3 bed	4 bed	5 bed	Not known	Total No.	Total %	01.01-31.03.03
House	0	413	718	30	3	-	1,164	33.3	37.8
Bungalow	134	15	9	0	0	-	158	4.5	5.2
Flat	989	994	46	0	0	-	2,029	58.1	53.7
Maisonette	62	34	40	2	0	-	138	4.0	3.3
Not known	-	-	-	-	-	2	2	0.1	-
Total no.	1,185	1,456	813	32	3	2	3,491	100%	100%
Total %	33.9	41.7	23.3	0.9	0.1	0.1	100%		
01.01-31.03.03	31.9	40.0	26.1	2.0	0.1	-	100%		

(Source: YCH data)

The following key findings are identifiable for almost 3,500 new lettings over a 12 month period. For every 20 new lettings:

- Seven were one-bed, eight were two-bed and the remainder were largely three-bed units
- Twelve were flats or maisonettes, seven were houses and one was a bungalow
- Although care must be taken in comparing lettings over 12 months when compared with three-month periods, comparison between 2003 and 2005 suggest a slight increase in the availability of smaller properties, especially flats, and a slight decrease in the availability of larger properties, especially houses.

Recommendation: these patterns in lettings by property type and bed size require further exploration and explanation.

4.8 Conclusions and recommendations

4.8.1 The main message to emerge from this data-based analysis of the impact of changing from a waiting list to a choice-based approach to lettings concerns choice. Choices for consumers in a housing market in which social rented housing already plays a major role have reduced

considerably as house prices have risen to the point at which affordability has become a serious problem. At the same time, there is evidence that the choice of properties offered by YCH – already skewed towards flats and other smaller properties – has reduced even further especially in the availability of houses and other three-bed and larger properties.

Recommendation: It is essential that this type of city-wide information be even more strongly highlighted to homeseekers and their advisors on a regular basis so that expectations are not raised unrealistically about the likely outcomes of bidding for property.

- 4.8.2 The management of this interface between consumers looking for affordable housing options and the choice which YCH can offer is absolutely critical if a lettings process based around a process of 'choice' is not to raise expectations of what is available and achievable, only to dash them. It is essential that consumers understand precisely what is available and their chances of obtaining properties of different types and qualities in different locations. This requires the production of detailed, accurate, up-to-date and accessible information which enables consumers to assess their position in accessing YCH.

Recommendation: We have been impressed by the approach adopted on feedback information on completed lettings. But this is not up-to-date. We confirm that as well as city-wide information on the social housing market, similar up-to-date information should be available by neighbourhood and housing letting area. Again this will enable homeseekers and their advisors to make more realistic choices in bidding for advertised properties.

- 4.8.3 At the same time, there is an urgent need to maximise the stock available by persuading housing associations and responsible private landlords to place their stock in the CBL system. Newcastle is now involved in a fine balancing act in offering a process of choice in a situation of strong demand and limited supply. This balance must be maintained with maximum sensitivity to the requirements of both consumers and landlords.

- 4.8.4 These two recommendations and the comment on the need to increase the quantity of stock in the CBL system tie in with government policy on CBLs that is covered in more detail in the next section.

- 4.8.5 In addition, this chapter has put forward some more detailed recommendations on monitoring in section 4.7. We would suggest that these would have three types of benefit. It would, firstly, help to confirm and verify the fairness and transparency of the system. Secondly, it would help to ensure that advice and support is targeted in a proactive way on specific groups of households. Thirdly, it would contribute to the recommendations in 4.8.1 and 4.8.2 on providing customers with more information on the social housing market.

5. Government criteria on choice-based lettings

5.1 Introduction

5.1.1 This section of the report focuses on an audit and an assessment of YCH. The 'benchmark' is current guidance provided by the Office of the Deputy Prime Minister. This consists primarily of:

- ODPM (2005): Implementing and Developing Choice-Based Lettings – A Guide to Key Issues: London, ODPM
- ODPM (2005): Choice-Based Lettings Newsletters No 7 & 8: London, ODPM
- ODPM (2005): Sustainable Communities – Homes for All – A Strategy for Choice-Based Lettings: London, ODPM.

It should also be noted that in mid July 2005 the ODPM published details of a funding scheme to aid the development of regional and sub-regional systems.

5.1.2 The ODPM guidance highlights:

- Seven aspects of CBLs (see diagram below)
- Geographical coverage, ie, a single comprehensive system covering all social housing in a local authority area
- Meeting the needs of vulnerable groups
- Future directions:
 - Sub-regional and regional systems
 - Housing options
 - ICT.

It should be noted that the ODPM (and the Housing Corporation) has made it abundantly clear that it expects all social allocation systems to be based on CBL principles by the end of this decade. There will be no return to traditional allocation systems.

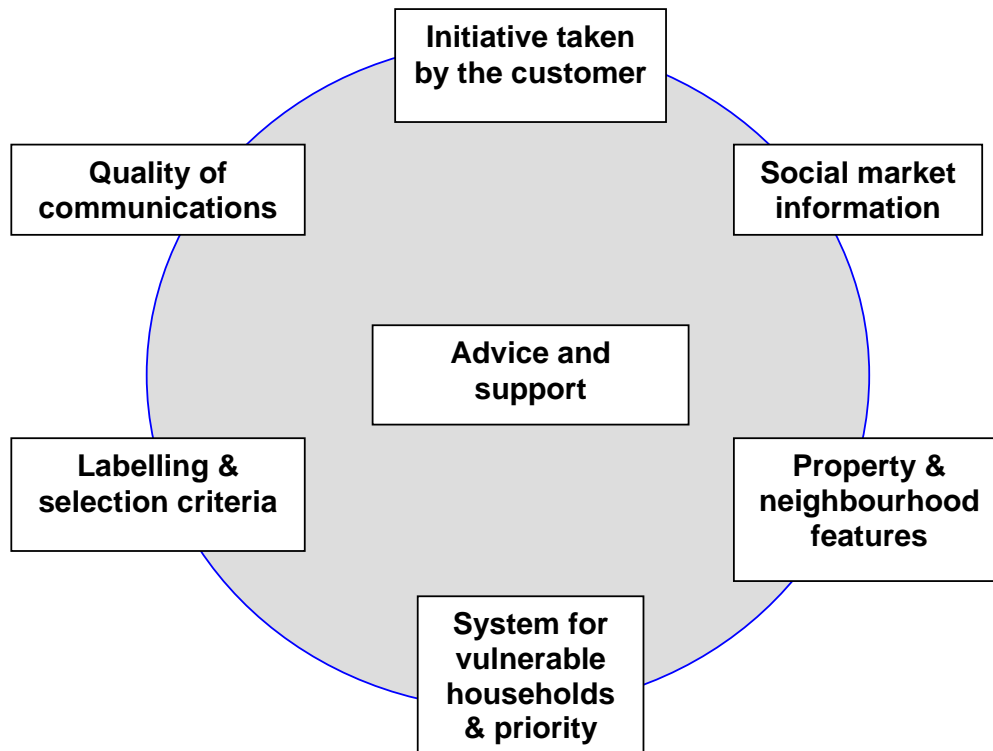
5.1.3 The audit and assessment has drawn on the following sources:

- A desk top review of paper documentation and website (<http://www.yourchoicehomes.org/>)
- Outcomes from the discussion/interview stage of the project (see section three)
- Social housing market analysis (see section four)

- Feedback on an interim audit from staff involved with the scheme.

5.2 Seven aspects of CBL schemes

5.2.1 The ODPM Guide highlights seven features of a CBL system – see diagram below:



It should be stressed that the government has frequently highlighted that these are 'principles'. Specific local schemes should be developed by a range of partners lead by the local authority. Detailed processes and procedures must reflect local requirements. We consider that Newcastle City Council and its partners have followed this approach.

5.2.2 Our assessment of the extent to which the YCH meets these seven features is contained within the table below. In overall terms, the scheme has successfully adopted the key principles. There is no feature that requires a radical rethink. We would particularly highlight the following good practice:

- Strongly customer-oriented feedback information on completed lettings
- Wide range of communications systems enabling customers to access information through a mode and at a time that best suits households

- Appropriate variety of advice and support services for customers.

However each element can be improved as highlighted in the right-hand column of the table.

CBL FEATURE & PRINCIPLE	ASSESSMENT OF 'YOUR CHOICE HOMES' SCHEME	ISSUES
<p>Customer initiative:</p> <p>Proactive homeseekers</p>	<p>Meets criteria as homeseekers have the responsibility to consider adverts and bid for properties, ie, proactive home seekers</p> <p>Homeseekers can make up to three bids in each cycle.</p>	<p>Important to continue to monitor/verify that homeseekers by category /vulnerability are proactive and, if not, why!</p>
<p>Social market information:</p> <p>Customers able to access and make use of information on property type/ location/popularity</p> <p>Feedback information on successful lettings available and useful to customers</p>	<p>Feedback information on lettings is available from website as pdf file but current report (as of May 2005) is dated October 2004. It is also 47 pages. It is not evident that information is available as part of the adverts but it is available from the property shop and community housing offices and from a 'customer feedback sheet/report'.</p> <p>Non-standard format of feedback compared to other CBL schemes – but strongly customer-orientated.</p> <p>Strengths include:</p> <ul style="list-style-type: none"> • Community housing office area based • Monthly table of lets • Longer term pattern of relets since April 2004 <p>Not clear from website if and where information is available on social housing stock and more detailed information on popularity re specific estates, type, etc</p>	<p>Customers do not appear to make much use of feedback information to influence their bidding/ search behaviour</p> <p>Customers are only gradually becoming more informed about the amount/type/location of social housing</p> <p>Nevertheless the relative lack of social housing market information does not appear to hinder customer verification of the transparency of the system, which is regarded as a major strength</p>

CBL FEATURE & PRINCIPLE	ASSESSMENT OF 'YOUR CHOICE HOMES' SCHEME	ISSUES
<p>Property and neighbourhood information:</p> <p>Sufficient information about property and area for homeseekers to make informed decision about whether to respond to an advert</p>	<p>Basic property information available in paper and website adverts. There does not appear to be additional information readily available about the property</p> <p>Not clear where and if information is available about neighbourhood – schools, health service, public transport, etc. However website 'useful links' has a connection, for instance, to 'up my street'</p>	<p>Homeseekers find the basic property information satisfactory</p> <p>But additional information about the property and neighbourhood is not readily available to all customers</p>
<p>System for vulnerable groups and priority cases:</p> <p>Additional priority to vulnerable groups</p>	<p>YCH operates a time-limited (three month) priority system. This appears to meet the Code of Guidance requirements and takes on board the principle of the 'Lambeth Case' of multiple/overlapping needs as double priority can be granted</p> <p>See 'advice and support' box in this table as well as section 4 below regarding advice and support for vulnerable groups</p> <p>See also section 3 below re housing management lettings</p>	<p>There is considerable critical debate among vulnerable households and their advisors as to whether the system meets their needs</p> <p>Need to monitor how households with multiple and overlapping needs are using the system. Advice and support might usefully be targeted on these households. This would help to verify that the scheme meets the principles of the 'Lambeth judgement' that allocation systems expressly give preference to households with multiple and overlapping needs</p>

CBL FEATURE & PRINCIPLE	ASSESSMENT OF 'YOUR CHOICE HOMES' SCHEME	ISSUES
<p>Labelling and selection criteria:</p> <p>Eligibility criteria re matching property type/size with household</p> <p>Selection criteria re time/bands/priorities etc</p>	<p>'Lettings policy' document highlights eligibility criteria distinguishing between 'specific criteria' (eg, no children, minimum age, etc) and 'min/max household size' criteria, and more indicative guidance. However it may appear that it is difficult to distinguish between specific criteria adverts and indicative guidance</p> <p>There are also adverts for properties that are immediately available on a 'first-come, first-served' basis</p> <p>Selection criteria (for homeseekers who match eligibility criteria) is primarily on length of time on housing register – with the exception of priority cards</p>	<p>Customers and stakeholders are generally aware of and understand the criteria. But they do not necessarily agree with the criteria</p> <p>Length of time on the housing waiting list was felt by customers and stakeholders to be an easily understandable selection criteria. But there was a general acknowledgement that a balance has to be reached between meeting needs through a complex assessment system and a more transparent process</p>
<p>Quality of communications:</p> <p>Range of ways for homeseeker to access information and carry out transactions</p>	<p>Range of communications media for information and transactions: website, property shop, community housing offices, housing association offices, contact centre, telephone. Customers have a choice of access points to suit their needs</p>	<p>A key emerging issue is that the quality and quantity of information varies between communication channels. A more equitable approach is required</p>
<p>Advice and support:</p>	<p>Customers have a range of sources for advice and support – see above. Wide range of paper-based information available</p>	<p>See comment above over equity re information</p> <p>Advice and support tends to be reactive rather than proactive – see below</p>

5.2.3 Overall, the scheme is moving towards 'compliance' with the ODPM 'fit-for-purpose' principles on CBL.

5.2.4 Further progress is required on four aspects of information for customers as a short term priority:

- Ensure that feedback information on completed lettings is up-to-date, ie, no more than one month behind current advertisement cycle

- Even more information should be made available on the social housing market and property/neighbourhood features (see table above)
- Ensure equity of information including advice/support for customers and their advisors irrespective of mode of communication
- Develop an even more proactive approach on information/advice/support for vulnerable groups and households not actively participating in the scheme.

5.3 Geographical coverage

5.3.1 The ODPM criteria is that there should be a single system covering the allocations and lettings of all social-rented properties and all social housing landlords in the local authority area. This is strongly reinforced in the most recent guidance published by the ODPM in late June 2005. This states that 'it makes more sense for councils and housing associations to work together rather than setting up competing CBL schemes'. Furthermore evaluative research on CBL highlights that customers and other stakeholders are frustrated and confused where there are multiple routes into social housing in an area.

5.3.2 As yet, the scheme does not fully meet this requirement

- Ten of the largest housing associations operating in the city are partners in the scheme (though Housing Corporation data suggests that there are between 30 and 35 housing associations operating in Newcastle)
- These ten partners account for 80% of housing association properties. But not all of this stock is within the scheme
- A scan of the property adverts has suggested that relatively few housing association properties are advertised.

At a more detailed level, 'in certain circumstances properties are not advertised in the normal way'. In the 'lettings policy' document, this falls under the heading of 'balanced communities'. These include:

- Housing management lettings, eg, people having to move because of major repairs or clearance
- Local lettings plans.

The policy states that even in exceptional cases, these special lettings categories will not exceed 50% in each local board area and that this will be monitored.

- 5.3.3 It is interesting to note that many CBL schemes include both housing management lets and local lettings policies within rather than outside, the system. We understand that YCH was developed initially to focus on that part of the allocations and lettings system where households could exercise relatively greater choice.

Council and YHN staff are of the view that these management lettings are within YCH. We would suggest that at the very least, this needs clarifying. Indeed we would argue strongly that all lets must be advertised if a CBL system is to have transparency. We found no evidence that management lets were advertised in the newspaper or on the website.

- 5.3.4 We recommend that consideration is given to moving to a single allocations and lettings system for social housing in Newcastle. This will require two activities:

- Formally incorporating other 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 are 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.

5.4 Vulnerable groups

- 5.4.1 Section 5.2.2 covered the policy and procedures for priority cases. A key lesson from evaluating CBL schemes is that it is important for vulnerable groups to have access to advice and support services. The 'procedural guidance' indicates there is a policy commitment to help households who may have difficulty participating in the scheme. A set of procedures is in place with the initial starting point being a reactive approach initiated by staff. This results in various organisations and staff providing the advice/support that is most appropriate (including homelessness officers, social workers, etc). We note that the council and YHN have placed considerable importance on the role of advice and support workers. We also would like to highlight the important and innovative initiative of the relocation team visiting hospitals and helping to fast-track medical priority assessments.

- 5.4.2 Two improvements are recommended to more fully meet ODPM 'good practice' and which build on the involvement of health and social care agencies and voluntary sector organisations. These are:

- Ensuring that advice and support is of a consistently high and similar standard irrespective of which agency or channel of communication is used by a vulnerable household or their advisor
- Moving towards an even stronger proactive approach by monitoring, for example, on a quarterly basis bidding patterns and use of the system to see which, if any, vulnerable groups are either not utilising YCH and/or are making 'poor' bids.

Both of these ought to be able to be implemented within the next six to nine months, ie, April 2006.

5.5 Future directions

5.5.1 Three future developments are highlighted in the ODPM guide:

- Regional/sub-regional CBL systems
- Housing options
- ICT.

In addition, two linked themes are highlighted in ODPM CBL Newsletter No 7, published in March 2005 and the more recent policy statement, published in late June 2005:

- Extending schemes to private renting and shared ownership (also highlighted in the ODPM Sustainable Communities Plan Update, 'Homes for All' published in January 2005)
- Efficiency gains.

Each of these issues is inter-related, eg, efficiency gains can be achieved by having a single back-office system covering a regional/sub-region.

5.5.2 Overall, the review of the documentation indicates that consideration is being given to most, if not all, of these issues. It should, however, be noted that these future developments are challenging and should be seen as medium and long-term developments.

5.5.3 More specifically, in moving towards regional/sub-regional systems, the ODPM wishes to see regional systems fully in operation by 2010. This is clearly a challenging agenda, but one that is particularly pertinent to Newcastle given the nature of urban conurbations where local authority boundaries do not reflect the realities of housing markets. A key driver should therefore be customer behaviour, ie, in which parts of the conurbation do households move across local authority boundaries? We recommend that discussions, therefore, take place with adjoining

local authorities where there is evidence of cross-boundary movement into and out of Newcastle.

- 5.5.4 It should, however, be noted that there are other drivers for the adoption of regional and sub-regional systems including efficiency gains through having a single CBL scheme covering a sub-region. Linked to this, some housing associations may feel that it is inappropriate for efficiency reasons to participate in a different CBL system in each local authority area in which they operate. They may thus 'push' for a single CBL system across a sub-region. The efficiency issue will become more significant and we understand that the Audit Commission will be publishing guidance in the autumn on how CBL can contribute to efficiency gains.
- 5.5.5 We recommend that the council and its partners consider carefully their position on sub-regional CBL (and the linked efficiency agenda). Funding opportunities are now available to support such work from the ODPM, with the first bidding round submissions to be completed by early October 2005. We consider that the city council and YCH should consider making a bid in the second and/or third rounds.
- 5.5.6 The ODPM is also interested in encouraging CBL schemes to move towards a broader housing options approach to help solve customers' housing problems. Key features of such an approach (which incorporates CBL) include property advice shops, promotion of other tenures (see below), information on other services etc. YCH appears to be developing this approach – for example, promotion of furnished tenancies through the scheme, the property shop, etc.
- 5.5.7 An important element of the ODPM's housing options approach is the incorporation of private renting, shared ownership and low-cost home ownership into CBL. We understand that this is being considered by the council and its partners. There are, however, many challenges in incorporating private rented properties in such a scheme. A useful starting point would be to initiate discussion with relevant estate agents and major private sector landlords on the opportunities and challenges. A more straightforward development would be to work with housing associations to incorporate new shared ownership properties into the scheme by advertising them through YCH.
- 5.5.8 Finally, from an ICT perspective, the ODPM anticipates that CBL schemes will enhance their front and back office systems as part of the local e-government strategy. Key issues include promoting the wider use of websites for information and transactional purposes, ensuring access to ICT (so avoiding or perpetuating the digital divide), and linking to other e-government initiatives.

6. Conclusions and recommendations

6.1 Introduction

- 6.1.1 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. Policy-makers and decision-makers need to reflect on the findings of this independent survey to consider how best to enhance and improve the system.
- 6.1.2 We would reiterate that 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.
- 6.1.3 A major challenge is to move towards a single comprehensive CBL system that incorporates all of the social rented stock.
- 6.1.4 It is important to highlight that CBL changes the process of lettings. It does not transform unbalanced/polarised housing markets.

6.2 Key findings

- 6.2.1 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 is 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 properties are let through YCH. This links into a broader issue of reconciling CBL with other objectives such as neighbourhood regeneration (see below).

This raises a concern that the wording of this aim is inappropriate. 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 with YCH as not even all council properties are let through this system and housing associations are not fully engaged with the system.

According to the ODPM, greater efficiency 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. A single back office system covering the sub-regional housing market in and around the Newcastle area would enable savings in back office functions to be transferred to front-line services such as housing options and homelessness advice.

- *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 – see sections 4.6 and 4.7.

Finally, 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. Nevertheless, part of our brief has been to focus on specific policies/groups and our conclusions are highlighted below:

- Black and minority ethnic households: the evidence in chapter four contradicts some of the comments in the discussion groups on difficulty of accessing the system. We, therefore, have no conclusive evidence to suggest that length of residence qualification is an inhibiting factor. In taking forward the issue of the housing needs of black and minority ethnic groups, we would suggest that it might be useful to draw on the experiences of the Bradford Homehunter scheme. This integrated a CBL system with broader corporate and inter-corporate strategies for addressing housing and neighbourhood requirements. It is also worth noting that the ODPM has commissioned research on this topic including a race impact assessment of CBL. We suggest that the council and YHN postpone further discussion on this issue until this research is published in late 2005/early 2006.
- Homeless households in temporary accommodation: the lack of suitable and available properties limits the degree of choice (as it does for many groups and households). We suggest that the most positive way forward is to further develop housing options approaches such as incorporating private renting into the system. This might open up further opportunities for this group.
- Young people: the development of the pathways approach will ensure that vulnerable young people are able to actively participate in YCH. More generally, as we interpret the guidance, there is no formal requirement for 16-17 year old and who are not vulnerable, to be able to access YCH. However, we would suggest that such households are made aware of, and provided with, advice on their housing options.
- *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.

6.3 Main recommendations

6.3.1 The project has generated a wide range of detailed 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. Discussions with and feedback from, senior staff, especially on the interim report, indicated implicitly a focus on very detailed issues on, for example, marginally modifying allocations criteria for vulnerable groups. We believe that while this should be undertaken in the longer term, there are other more important steps which need to be taken.

6.3.2 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
- Organisational responsibilities, ie, Newcastle City Council/YHN and broader partnership working.

6.3.3 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 (see 3.7.10) – 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.

6.3.4 *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 – see 6.3.3 above
- 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 operation⁴ – this ought to help link together CBL and a

⁴ We consider that this would be in line with recent ODPM guidance – see ODPM (2005): Best Value Performance Indicator 213 - Housing Advice Service – Preventing Homelessness: London, ODPM

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 (see section 4.7). This will help stakeholders and customers to take a more informed view of any policy or operational changes that might be considered.

Finally, drawing in particular on section 3.7, 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.

6.3.5 *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 the vulnerable groups identified in section 3.7 of this report – see also section 6.2.1.

6.3.6 *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.