

**Report of Mike Camponi, Housing Manager, Leeds Homes**

**Report to Housing Advisory Board**

**Date: 10 November 2015**

**Subject: Promoting Tenant Mobility**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

Over recent years Housing Leeds has operated a number of mobility initiatives designed to support tenants secure a move to more suitable accommodation with mixed success.

However, underoccupation and overcrowding remain an issue - there are currently 1885 tenants on the housing register under occupying and 1322 who are overcrowded. Following an evaluation of the different schemes, Housing Leeds is proposing that a new scheme is implemented to encourage an increase in the number of mutual exchanges to facilitate best use of stock.

Details of the proposed scheme are outlined in the report, along with proposals for the marketing and communications for the scheme.

**Recommendations**

That Housing Advisory Board support the introduction of a new financial incentive scheme to promote mobility and increase the number of transfer moves secured through mutual exchanges by LCC tenants.

## **1 Purpose of this report**

- 1.1 To provide an evaluation of tenant mobility incentive schemes operated in Leeds to date.
- 1.2 To consider other options available to encourage tenant mobility.
- 1.3 To recommend the best option on spending the remainder of the budget.

## **2 Background information**

2.1 With under occupation and overcrowding still being a big issue in the city for our tenants we need to continue in our efforts to tackle this problem. There are currently 1885 tenants on the housing register under occupying and 1322 who are overcrowded. The creation of more vacancies in high demand stock and stimulating demand for difficult to let stock continues to be an issue.

2.2 In the last six years we have managed three tenant incentive schemes to encourage mobility with the social rented sector in Leeds. These have involved increasing mutual exchanges, reducing under-occupation and overcrowding, releasing high demand stock and increasing demand for difficult to let stock. In addition to intensive promotion, incentives to tenants have included cash payments and payment of removal costs with varying degrees of success as outlined in the scheme summaries below.

### **2.3 Under-occupation incentive scheme 2008 – 2013**

Leeds City Council operated an under occupation incentive scheme between 2008 and July 2012 which offered downsizing council tenants a cash payment of £1000 per room released.

Over its lifetime the incentive scheme freed up 527 houses (888 rooms) across the city at the cost of £888,000.

The scheme was suspended in July 2012 ahead of Housing Benefit restrictions being introduced by the DWP which would have increased demand for the incentive beyond reasonable limits. It was replaced with a more focused Tenant Mobility Incentive Scheme without cash incentives.

### **2.4 DCLG Mobility Vanguard Project 2011 - 2013**

In 2011 Leeds was one of twelve authorities to be awarded funding by the DCLG to promote cross-tenure moves through exchanges and to encourage movement into the private sector to satisfy housing demand. A grant of £40K was awarded.

The funding was mainly used to employ a dedicated officer to promote cross tenure/boundary exchanges and provide a financial incentive of £100 initially for tenants to exchange which increased to £200 towards the end to ensure the funding was spent by the DCLG deadline.

The main outcomes were as follows:

- The combination of intense publicity and financial incentives produced good results for exchanges overall. The targeting of under occupiers in the latter half of the scheme contributed to the council's initiative to reduce hardship for those affected by the bedroom tax.
- The average of 20 to 25 mutual exchanges per month prior to the financial incentive scheme increased to an average of 40 per month representing an increase of over 48%.
- There was a big increase in Leeds tenants registering on the House Exchange website as a result of our campaign. In March 2012 there were 2538 tenants registered on the House Exchange website and this rose to 3395 tenants registered in April 2013, an increase of over 33%.
- Despite offering financial incentives to private landlords to rehouse council tenants in housing need there was no take up but Leeds Homes adverts did increase for the sector. The number of tenants being rehoused in the private sector also increased year on year.

For a detailed breakdown of statistics please see Appendix 1 attached. In summary it demonstrates the impact of this mobility scheme in 2013/14 when exchanges reached a peak particularly for tenants overcrowded and under-occupying. It also indicates more movement cross tenure with private landlords not necessarily associated with this scheme.

## **2.5 Tenant Mobility Incentive Scheme 2014 – 2015**

As the Mobility Vanguard Project ended, the council decided to earmark £200,000 from the HRA for 2014/15 to fund a new incentive scheme to promote tenant mobility.

The scheme offered tenants an incentive package worth up to a maximum amount of £1,000 to assist with the costs of a move, but there was no direct financial payment to the tenant.

1120 tenants who were either living in 1 bedroom properties and were overcrowded and tenants who were under occupying in 2 bedroom houses were contacted and invited to apply to the scheme to move through a mutual exchange. Applications were assessed by local housing offices who supported tenants with finding a new home and the moving process. 102 low demand properties were advertised through the incentive scheme.

Overall the outcomes were disappointing – only 1 tenant moved by mutual exchange and only 9 applicants moved to properties advertised with an incentive under the scheme. A fuller comparison of the three schemes is provided in Appendix 2.

We believe that the main reasons for the scheme's low take up are two-fold; firstly the scheme was quite complex and secondly it was launched at a time of significant change and so was not applied as effectively as it could have been.

### 3 Main issues

3.6 There are 2 main factors that have affected the success of the previous tenant mobility schemes:

- The level and type of incentive given to tenants to encourage a mutual exchange.
- The amount of staffing support that has been provided to tenants who are under-occupying or overcrowding to encourage exchanges.

3.7 There is evidence of demand from tenants for exchange services. In July 2015, Housing Leeds held the city's first 'Big Home Swap' event at the Civic Hall, which was attended by 250 tenants wanting to exchange. At the event tenants were advised on how a mutual exchange could improve their prospects for rehousing, registered on the House Exchange website and matched with potential exchanges using the Orchard matching function. Housing Associations were represented by Leeds Federated, Unity and Places for People to promote cross tenure exchanges.

#### 3.8 Proposed New Scheme

3.9 In order to simplify the process for all involved and to encourage maximum take up, it is proposed to have a similar financial incentive scheme to those that worked successfully on the previous under occupation and Mobility Vanguard projects. A financial payment has been shown to assist greatly with removal costs and act as an incentive to move.

3.10 One simple financial incentive is proposed of a £500 payment to any LCC tenants who exchange properties through a mutual exchange that are under occupying or overcrowded in order to release higher demand properties and assist those tenants affected by the bedroom tax. In order to encourage exchanges of this type and release pressure on the Housing Register we would make the incentive payable to both parties with exception of any Housing Association tenants involved in the exchange. Council tenants in arrears would be expected to use the payment to help clear them. It is proposed that the level of resources made available to fund the incentive part of the scheme are capped at £190k and that the scheme operates on a first come first served basis to ensure the total budget is not exceeded.

3.11 Low cost promotion of the scheme would include the Tenants Newsletter, Leeds Homes media, LCC website and LCC Twitter and Facebook accounts. Printed material in the form of promotional flyers, posters and targeted communication with under occupied and overcrowded tenants would incur additional cost. Additional Homeswap Events implementing lessons learned from the July 2015 event are planned.

3.12 More targeted information and communications would be given to eligible tenants as part of the management of the day to day relationship with tenants,

via Annual Home Visits, arrears conversations linked to underoccupation cases and rehousing conversations.

- 3.13 If the scheme is to be a success, it is critical that staff proactively promote the scheme to eligible tenants. The Leeds Homes Team Manager will co-ordinate the overall framework to ensure a consistent approach is taken across the city and to co-ordinate citywide communications and marketing. The local application of the scheme will be co-ordinated by Lettings Teams within Area Housing Offices to ensure that the scheme is actively promoted to individuals as part of rehousing and arrears conversations. Scheme outcomes will be monitored regularly by local housing teams in order to monitor the success of the scheme.
- 3.14 Other ways of promoting mobility include:
- Active promotion to relevant tenant groups including under occupying and overcrowded tenants
  - Managing the mobility initiative through a core steering group to represent all stakeholders, including tenants representation
  - Promoting cross boundary moves for tenants in employment to fulfil DCLG's Right To Move
  - Investigating the feasibility to a tenant transfer policy to make it easier for existing tenants to move e.g. with a good tenancy record priority award, to be nearer job on other side of city, etc.
  - Create chain lettings to maximize rental income and minimize income loss and void costs
  - Promote low cost home ownership option for existing tenants through Help to Buy (including providing cash incentive)
  - Use of national and regional web based platforms e.g. HomeSwap Direct, Letshelpyou, Homefinder UK.
- 3.15 Promotion of the initiatives listed above could produce longer term benefits by adapting good practices on a permanent basis, however, we would prioritise expected outcomes to cover only mutual exchanges by tenants under occupying or overcrowded
- 3.16 With the initiatives listed above a high degree of staffing resources and allocation of time would be required to achieve a successful outcome. A more focused method of spending the funding and minimum input from staff, but at the same time ensuring maximum impact on tenants ability to move, would produce a quicker outcome by the end of the financial year.
- 3.17 A second Homeswap event is booked for 26<sup>th</sup> February 2016 and is being actively promoted to tenants, for example, in the next tenant newsletter.

- 3.18 There are currently over 3500 tenants registered for an exchange but many more on the housing register who will have not considered this option to achieve their rehousing aspiration.
- 3.19 The benefits to Housing Leeds of promoting mutual exchange include giving tenants another options to secure a move to an area and home of their choice both in the council and housing association sector, as well as reduced void times and costs.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

The proposals are based on the evaluations of previous schemes. No formal consultation has taken place but internal feedback from Housing Leeds has produced support. The next steps will be to undertake formal consultation with tenants via Voice of Involved Tenants Across Leeds (VITAL) and ward members.

### **4.2 Equality and Diversity / Cohesion and Integration**

The proposal in this report has no adverse implications for the Council's Policy on Equality and Diversity, or Cohesion and Integration.

An EIA screening document has been completed and is included in the associated documents

### **4.3 Council policies and Best Council Plan**

The proposal promotes the vision of the Council's Tenancy Strategy 2013-2015 to create more opportunities for people to live independently in quality, affordable housing.

The scheme supports the following best council objectives for 2013 – 17:

- Ensuring high quality public services – promoting mobility improves the housing offer by increasing the choices available to social landlord tenants looking to move to more appropriate housing.
- To be fair, open and welcoming with an economy that is both prosperous and sustainable so all our communities are successful. This service will support the council's desired outcomes of improving quality of life for residents and contribute to the economy by welcoming tenants from outside Leeds to take up employment or training opportunities.
- Becoming an efficient and enterprising council – the service will help deliver efficiencies by mitigating the adverse impact of benefit changes, both on individuals affected by Housing Benefit changes and to the council as a social landlord in terms of rent loss due to long term void properties and under occupation.

#### 4.4 Resources and value for money

£200k was allocated in the 2015/16 to fund tenant mobility incentives. The table below indicates how far the budget available for 2015/16 would extend under the proposals. Out of the original £200,000 about £5000 has already been spent on the previous incentive scheme leaving roughly £195,000 remaining to be spent on the new scheme.

#### Proposed budget

Item	£
Publicity and promotional materials	3000
2 x citywide Big Home Swap events at the Civic Hall	2,000
377 Incentive payments @ £500 per tenant exchanging	188,500
<b>TOTAL</b>	<b>195,000</b>

It is unlikely that the full budget allocation for 2015/16 will be spent due to the new scheme being launched in the latter half of the year; it is therefore projected that there will be a budget underspend. It is a significant priority for us to promote tenant mobility and best use of stock, and so it is proposed that the budget for 2016/17 remains at £200k, with a cap on incentive payments of £190k.

There are no major resource implications related to this report as all identified activity can be managed by existing teams within Housing Leeds

Leeds Homes will monitor the service closely to ensure that appropriate customers are being targeted and paid incentives. Value for money will be achieved from savings on void reductions, repair and turnaround costs and improved tenant satisfaction.

#### 4.5 Legal Implications, Access to Information and Call In

There are no specific legal implications related to this report

This report is not subject to Council call-in procedure.

#### 4.6 Risk Management

The proposal is assessed as posing a low risk to the council as there is adequate budget provision and in setting a cap to the budget for incentive payments made there is no risk of a budget overspend.

### 5 Conclusions

- 5.1 Housing Leeds is committed to maximising tenant mobility in order to ensure the best use of housing stock. Mutual exchanges offer a low cost solution to

encouraging tenant mobility for Housing Leeds and so it is proposed that this mechanism is encouraged as far as possible.

- 5.2 This proposal will free up some high demand larger properties as well as tackle some of the housing problems for existing tenants in the city. The scheme would be simple to understand and easy to administer in comparison with previous initiatives.

## **6 Recommendations**

- 6.1 That Housing Advisory Board support the introduction of a new financial incentive scheme to promote mobility and increase the number of transfer moves secured through mutual exchanges by LCC tenants.

## **7 Background documents<sup>1</sup>**

None

## **Appendix 1 – Performance Information**

### **1. Mutual Exchanges**

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.



Year	Mutual Exchange (LCC - LCC)	Mutual Exchanges Within Leeds (LCC - RSL)	Mutual Exchanges Outside Leeds (LCC - RSL or Other LA)	Total
2014/15	336	56	14	406
2013/14	509	51	18	578
2012/13	445	59	20	524
2011/12	371	55	14	440
2010/11	350	75	10	435
2009/10	297	49	8	354
2008/09	307	64	16	387

## 2. Mutual Exchanges by type

Year	2012/13	2013/14	2014/15
Type to Type	207	189	174
Overcrowded	108	190	118
Under Occupying	175	190	103
Not Known/Other	34	9	11
Total	524	578	406

## 3. Number of Lettings and Transfers

Year	Transfers (LCC to LCC)	Lettings To Tenants of Another LA	Lettings to RSL Tenants	Lettings to Private Landlord Tenants	Letting to Others	Total
2014/15	867	31	138	1063	2410	4509
2013/14	1240	35	146	1198	2595	5214
2012/13	1123	34	122	1014	2640	4933
2011/12	1163	30	130	897	2756	4976
2010/11	1253	48	197	849	2731	5,078
2009/10	1185	44	221	735	2932	5,117
2008/09	1087	36	146	606	2755	4,630

## 4. Number of Tenancy Terminations

Year	Moved Into RSL Property	Moved To Private Landlord	Total Terminations
2014/15	222	650	4800
2013/14	237	596	5360
2012/13	212	574	5370
2011/12	211	559	5548
2010/11	210	580	5281
2009/10	162	575	5251
2008/09	147	376	5074

## Appendix 2

	<b>Under-occupation incentive scheme 2008 – 2013</b>	<b>Mobility Vanguard Project incentive scheme 2011 - 2013</b>	<b>Tenant Mobility Incentive Scheme 2014 – 2015</b>
<b>Pros</b>	£1K per bedroom acted as an incentive to encourage tenants to move	Simple to understand	Potential to tackle under-occ, low demand and release high demand
	Easy to understand	Low cost incentive worked	Could assist tenants who couldn't afford to pay removal costs up front
	Tackled the under occupation ahead of the housing benefit charge across the city	High take up lead to improved performance on mutual exchanges	Low cost – average claim was £217
		Tenant awareness and opportunities to move were enhanced	
		RP nomination performance increased following amendment for under –occupier moves	
		Increase in private landlord adverts	
		Increase in House Exchange registrations	
<b>Cons</b>	Acceptances onto the scheme had to be managed proactively to ensure budget kept to	Mutual exchanges between private sector tenants and LA or RP tenants were ruled out for legal reasons	Timing coincided with the restructure of housing management services which impacted on performance.
	Stringent checks on property condition by surveyor and rent account checks were conditional to acceptance on scheme	Incentive wasn't applied to RP tenants to encourage more moves from that sector.	Too resource intensive as staff time was taken up to repeatedly contact customers and verify receipts, often to no avail.
	The scheme became financially unviable once HB restrictions on under occupiers was introduced in April 2013	Funding ran out fairly quickly	The scheme was overly complex and difficult for customers to understand.
	Tenants had to be formally accepted onto the scheme and were not able to claim a payment retrospectively if they hadn't.		Customers did not claim the incentive and staff did not have the time to contact them to encourage claims.
	Tenants living in lower demand homes were not eligible to join the scheme		
	High void costs on properties released which had not been factored into the scheme's budget.		