



## Report to Customers and Communities Committee

10 September 2015

**Title:** Lettings Report 2014/15

**Report of:** Director of Customers and Communities

### Purpose of Report

1. To advise the committee of lettings activity in 2014/15.

### Background

2. Letting of properties and management of the housing register is carried out in line with Gateshead Council's lettings policy and its associated statement of flexibility. Available properties are first advertised through the Tyne and Wear Homes website either on the basis of greatest need, or longest waiting time. The statement of flexibility sets out the ratios we follow for each property type in terms of advertising to need or waiting time.
3. On occasions when there is no demand from a Tyne and Wear scheme advert then properties may be deemed "always available" and may be readvertised or advertised in other ways. The lettings policy also provides for the direct letting (without advert) of properties to applicants with specific urgent housing needs.
4. From the previous year's report for 2013/14 Committee noted that there had been a large increase in tenancy terminations and a new emergence of difficult to let properties. Together these had led to an increase in vacant properties, despite a backdrop of high numbers on the Housing Register.
5. Towards the end of the year 2014/15 a reassessment of demand for properties was carried out. Whilst 37.5% of properties are now considered to be in high demand, 21% are in very low demand, with a further 17% in slightly more, but still low demand. This information was presented to Board in May 2015:

Demand Category	Number of properties	% of properties
1 (high demand)	7,420	37.5%
2 (above average)	2,557	12.9%
3 (average demand)	2,113	10.7%
4 (low demand)	3,448	17.4%
5 (very low demand)	4,241	21.4%
All Properties	19,779	100.0%

## **Housing Register**

6. There was a slight reduction in the number of applicants requesting Gateshead on the Tyne and Wear register from 12,778 at the end of March 2014 to 12,183 at the end of March 2015. For the whole Tyne and Wear register the number of applicants increased from 38,319 to 41,617 during the year.
7. Appendix 1 contains a breakdown of the applicants requesting housing in Gateshead at the end of March 2015. Out of the total of 12,183 applicants 977 (8%) have been assessed to have a recognised housing need.
8. Although the total number on the register may suggest healthy demand, many applicants are either waiting for something specific, have registered an application as a safeguard for the future, or may have already found their own accommodation with their application likely to be cancelled at their next annual review.

## **Bidding**

9. Only 1,295 applicants have actually placed a bid in the last twelve months (10% of Gateshead applicants). In total they placed 42,487 bids. Of the 1,295 who are actively bidding, 302 applicants are demoted. This means that they have had a tenancy in the past that has not been entirely successful and they may have low levels of rent arrears outstanding, or have demonstrated low levels of anti-social behaviour, or maintained a poor property condition. A demoted applicant is still entitled to bid and be rehoused, but will always rank below anyone on the list not demoted.
10. For some customers, “autobidding” is a more suitable arrangement. An autobid is a bid that is placed automatically by the computer system when an available property matches the applicant’s preferences. This service is available to any applicant on request. There were 2,240 autobids placed last year, with around 40 to 50 applicants on “autobids” at any time.
11. In previous years there have been very few demoted applicants housed, but there has been a marked increase in the last year. This reflects a trend for few bidders on advertised properties and raises potential concerns about the sustainability of tenancies granted to demoted applicants. (In 2014/15 we housed 249 people who were demoted, this compares to 115 in 2013/14 and 51 in 2012/13.)
12. The number of bids that are made has also been reducing. In 2012/13 we received on average 45 bids on every advert. By 2013/14 this had fallen to an average of 27 bids per property, and in 2014/15 there was a further reduction to an average of 22 bids per property. There has been a reduction on bids on all property types but some property types are more affected. For example, two bed flats now only receive five bids on average (compared to 15 bids two years ago). Sheltered flats tend to receive the fewest bids, averaging three per advert.
13. Many of our properties now have to be re-advertised. This happens when either no bids are received, or none of the bidders are prepared to accept the property. Re-advertising may also not result in any further bids and some homes are placed in the “always advertised” section and remain there until a bid is received. This means that many of our properties stand empty for much longer than they

used to, this is reflected in the average number of void days that have gone from 37.41 days three years ago, to 41.42 days two years ago and 74.14 days last year.

14. A campaign to raise awareness of available properties has been underway with more information being made available through The Gateshead Housing Company website, social media, leaflets and posters, drop in sessions and targeted emails to those on the register. There have also been adverts placed through both Rightmove and Zoopla that ran for a period of three months. These did generate some enquiries but did not result in any lettings. This marketing activity will inform the marketing strategy which is in development and due for implementation by January 2016.

### **Properties let**

15. 1,811 properties were let in 2014/15, slightly up from 1,746 the previous year. 1,341 homes were to those on the waiting list (74%) and 470 homes were let to existing Gateshead Council tenants transferring (26%).
16. 1,622 of the homes let were advertised with 189 being allocated as a direct let, the majority of which were to those with a homeless priority.
17. 1,622 (90%) of all lettings were to people who already lived with in the Gateshead borough, of the 189 (10%) from outside of Gateshead, 116 lived within the Tyne and Wear area. A breakdown of properties let is included at appendix 2, with further information on direct lets in appendices 3 and 4.
18. We advertise by either giving preference to those in housing need, or to those who have waited the longest. Only 8% of applicants on the Housing Register have a recognised housing need, but 47% of the properties were let to those in housing need in 2014/15.

### **Refusals**

19. The number of offers refused has increased significantly over the last two years. In 2012/13 there were 2,818 offers refused and 1,451 homes let. In 2013/14 we received 3,706 refusals when letting 1,753 homes. In 2014/15 this increased again to 4,491 refusals to let 1,811 homes.
20. Reasons for refusal are varied but about half of those who place a bid do not respond when we contact them or fail to attend a viewing. The remainder tend to refuse because they are not happy with either the property or area. Only 2% cite affordability as a reason. A breakdown of refusal reasons is included at Appendix 5.

### **Tenancy terminations**

21. Looking back, the number of tenancies ending in 2012/13 was 1,579, but increased in 2013/14 to 1,926. In 2013/14 we were rehousing existing tenants from three large clearance/demolition areas (Chandless, Bleach Green and Clasper Village). In 2014/15 there were far fewer tenants to left to rehouse in these areas, but the number of tenancies ending only reduced to 1,826.

22. Most tenants leave because the property or the area no longer meets their needs or aspirations. A breakdown of the reasons for terminations last year is included at appendix 6. There is no one particular trend for ending a tenancy however the increase in numbers coincides with:

- Welfare reform – the impact of welfare reform, particularly for those under-occupying has made council properties less financially viable for some groups of people.
- Private Rented Sector – access is now very easy via the internet, with increasing availability in many popular areas within Gateshead. Many properties in the private rented sector are now very competitive in terms of cost and standard, giving prospective tenants much more choice

### **Mutual Exchanges**

23. Mutual exchanges are an alternative and potentially quicker way of tenants resolving their housing need. In 2014/15 there were 139 mutual exchanges, this was slightly less than the 165 exchanges of the previous year, but the same as in 2012/13. Continuing to encourage and support tenants to exchange remains a priority.

### **Downsizing and Welfare Reform**

24. A “best use of stock” downsizing scheme has been in existence for a number of years, which gives an “urgent need” priority to tenants who want to downsize and who will release homes for which there is higher demand. A more recent “substantial need” priority award was introduced in December 2012 to help those affected by welfare reform to move, regardless of the demand level of their current home. 90 tenants were helped to move in 2014/15 with this award.

Year	Best use of stock	Welfare Reform
2013/14	75	72
2014/15	45	90

### **Furniture Leasing Scheme**

25. Existing or new tenants are able to lease various packages of furniture (and opt out again at any point) with a weekly service charge added to the rent which is eligible for housing benefit or Universal Credit. The popularity of the scheme has steadily increased, with 1,040 tenants leasing furniture by the end of March 2015.

### **Link to Values**

26. This report relates to the company values of being:

- fair
- customer focused
- open and honest
- accountable

### **Impact on tenants**

27. Lettings to existing tenants accounted for 26% of all lettings in 2014/15 (compared to 35% of lettings in 2013/14).

### **Risk Management Implications**

28. This report relates to the strategic risk around the impact of welfare reform and the operational risk around properties becoming difficult to let. The developing marketing strategy aims to mitigate risks.

### **Financial Implications**

29. There are no direct financial implications arising from this report.

### **Equality and Diversity Implications**

30. The lettings advice team help ensure that all applicants are able to access the Tyne and Wear Homes scheme, by way of advice, support and assisted bids. Information gathered at the application stage helps with this, and contact is also made with any applicant who does not appear to be making bids.

### **Value for Money Implications**

31. There are no direct value for money implications arising from this report

### **Health Implications**

32. The Gateshead lettings policy includes a range of priority awards to recognise medical conditions and other housing needs that may otherwise affect health

### **Environmental Implications**

33. Making best use of housing stock by tackling under-occupation and overcrowding has positive environmental implications.

### **Consultation carried out**

34. There has been no specific consultation for this report. We have led on the establishment of the customer group for the implementation and operation of Tyne and Wear Homes, and Gateshead customers attend this group. There has been consultation with customers in the development of the marketing strategy with those who have attended drop in sessions, meetings and forums.

### **Recommendations**

35. The views of the committee are sought on whether it is satisfied with the information on lettings activity in 2014/15.
36. The committee receives a report on marketing strategy at its first meeting in 2016.

## Housing Register (applicants requesting Gateshead)

Category	Award Reason	31/03/14	31/03/15
<b>Critical Need (Single Awards)</b>	Medical	2	0
	Child protection	1	2
	<b>Total Critical Need (Single Award)</b>	<b>3</b>	<b>2</b>
<b>Urgent Need (Two awards)</b>	Medical & Best use of stock	7	13
	Medical & Homeless Prevention	5	0
	Medical & Homeless Priority	0	1
	Homeless Prevention & Overcrowding	0	1
	<b>Total Urgent Need (Two awards)</b>	<b>12</b>	<b>15</b>
<b>Urgent Need (Single Award)</b>	Homeless	52	26
	Homeless Prevention	47	30
	Domestic Violence	20	18
	Single Gateway	14	8
	Medical	84	101
	Leaving Care	5	0
	Demolition	68	13
	Best use of stock	143	117
	Overcrowding	16	10
	Imminent Tied Tenants	1	0
	Imminent Armed forces	16	10
	<b>Total Urgent Need (Single Award)</b>	<b>466</b>	<b>333</b>
<b>Substantial Need (Two awards)</b>	Children in flats & Overcrowding	6	3
	Children in flats & Under Occupation	2	0
	Overcrowded & Medical	4	1
	Medical & Under Occupation	13	4
	Non Priority Homeless & Medical	1	0
	<b>Total Substantial (Two awards)</b>	<b>26</b>	<b>8</b>
<b>Substantial Need (Single Award)</b>	Medical	178	159
	Non Priority Homeless	181	59
	Overcrowded	263	204
	Tied Tenants	6	3
	Children in Flats	14	16
	Leaving armed forces	5	2
	Intentional homeless	1	1
	Under-occupation	172	175
	<b>Total Substantial (Single award)</b>	<b>820</b>	<b>619</b>
<b>General Needs</b>	(No qualifying additional need)	<b>9,712</b>	<b>7,911</b>
<b>“Demoted”</b>	Demoted (for arrears/ ASB)	<b>1,739</b>	<b>3,295</b>
<b>Total applicants requesting Gateshead</b>		<b>12,778</b>	<b>12,183</b>

<i>Total applicants on Tyne and Wear scheme</i>	38,319	40,946
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## Properties Let 2014/15

Property Type	Size	'Transfer List' (existing tenants)	'Waiting List' (new tenants)	All
<b>Bungalows</b>	Bedsit	0	1	1
	1 Bedroom	83	90	173
	2 Bedroom	34	43	77
	3 Bedroom	4	3	7
<b>All Bungalows</b>		<b>121</b>	<b>137</b>	<b>258</b>
<b>Flats</b>	Bedsit	4	44	48
	1 Bedroom	68	289	357
	2 Bedroom	62	297	359
	3 Bedroom	4	20	24
	4 Bedroom	0	0	0
<b>All Flats</b>		<b>138</b>	<b>650</b>	<b>788</b>
<b>Houses</b>	1 Bedroom	4	11	15
	2 Bedroom	80	281	361
	3 Bedroom	101	208	309
	4 Bedroom	5	9	14
	8 Bedroom	0	0	0
<b>All Houses</b>		<b>190</b>	<b>509</b>	<b>699</b>
<b>Maisonettes</b>	2 Bedroom	2	2	4
	3 Bedroom	6	16	22
	4 Bedroom	0	1	1
<b>All Maisonettes</b>		<b>8</b>	<b>19</b>	<b>27</b>
<b>Sheltered</b>	1 Bedroom	7	15	22
	2 Bedroom	3	3	6
	(Extra Care) 2 bedroom	3	8	11
<b>All Sheltered / Extra Care</b>		<b>13</b>	<b>26</b>	<b>39</b>
<b>TOTAL</b>		<b>470</b>	<b>1,341</b>	<b>1,811</b>

## Properties let as a “direct let”

Type	Beds	Properties available to let	Of which - direct lets
Bungalow	0 bedroom	1	0
	1 bedroom	173	5
	2 bedroom	77	6
	3 bedroom	7	2
<b>All bungalows</b>		<b>258</b>	<b>13</b>
Flat	Bedsit	48	2
	1 bedroom	357	44
	2 bedroom	359	31
	3 bedroom	24	2
	4 bedroom	0	0
<b>All flats</b>		<b>788</b>	<b>79</b>
Houses	1 bedroom	15	6
	2 bedroom	361	42
	3 bedroom	309	45
	4 bedroom	14	3
<b>All houses</b>		<b>699</b>	<b>96</b>
Maisonettes	2 bedroom	4	1
	3 bedroom	22	0
	4 bedroom	1	0
<b>All maisonettes</b>		<b>27</b>	<b>1</b>
Sheltered	1 bedroom	22	0
	2 bedroom	6	0
	(Extra care) 2 bedroom	11	0
<b>All Sheltered / Extra Care</b>		<b>39</b>	<b>0</b>
<b>TOTAL</b>		<b>1,811</b>	<b>189</b>



## Reasons for direct let

Reason	Number
Domestic violence	1
Emergency (fires, floods etc)	12
Exceptional Circumstances (Protection of vulnerable adults etc)	7
Homeless	137
Threat or fear of life	9
Demolition or new build	12
Warden / caretaker	3
Medical (Adaptations)	1
Discretionary succession, transfer to other property	7
<b>Total</b>	<b>189</b>

## Refusal Reasons 2014/15

Refusal reasons	Detail	Numbers
No Contact	Those who did not respond to text, voicemail, letter, or did not attend viewing or office appointment as arranged.	1,726
Area	Those who decided after bidding that they did not want the area, or that it was too far from family, friends, facilities etc	1,152
Property	Those who felt the property was unsuitable, too large, too small, wrong layout etc	1,048
Change in circumstances	Includes those who have already moved or received an alternative offer, or whose situation and housing needs have changed	304
Financial	Those who are unable to afford either the rent and costs or to move	179
Other	Includes offers withdrawn by Homeless or the police as unsuitable	82
<b>Total</b>		<b>4,491</b>

## Termination Reasons 2014/15

Reason	Numbers
Property wrong size (too large/small)	352
Deceased	310
Medical Condition/Adaptations	301
To move closer to family/friends	220
Eviction for arrears/ASB (including those who have left to avoid eviction)	122
Dislike of estate/street	101
Harassment/neighbour dispute	83
Unable to afford rent/running costs	78
Dislike of the property	66
Relationship breakdown	42
Abandonment	35
Fleeing Violence	34
To move closer to work/schools	27
Wanted home with a garden	21
Buying own property	13
Security concerns/youth disorder	8
Other	8
In Prison	4
Warden/Caretaker accommodation	1
<b>Total</b>	<b>1,826</b>