

Manchester City Council Report for Information

Report to: Neighbourhoods and Environment Scrutiny Committee -
5 September 2018

Subject: Housing Issues

Report of: Director of Housing and Residential Growth

Summary

At its meeting on 8 November 2017 officers provided an update to the Committee on the stock transfer promises, homelessness and improving the private rented sector.

In addition to this on 31 January 2017 officers provided information to this Committee relating to the outcome of the review of the Housing Revenue Account (HRA) and how the City Council delivers its housing management services. This report was also shared with members of the Executive on 11th January 2017.

The committee has asked for a “Housing” report to include the following themes:

- Progress on the Selective Licensing schemes (to include data on the number of evictions as a result)
- Manchester Move;
- Housing vulnerable people in B&Bs and how B&Bs are inspected;
- Tackling rogue landlords, and the Rental Charter;
- Social Housing and new builds across the city; and
- Northwards ALMO (arms-length management organisation).

This report has been produced collaboratively by officers from Neighbourhood Services (Selective Licensing and Rogue Landlords), Adult Services (Homelessness; Bed and Breakfast accommodation) and Strategic Housing (New house-building and Northwards Housing).

Recommendations

Members of the Committee note the contents of the report and the actions being taken to improve the private and social housing offer in the city.

Wards Affected: All

Alignment to the Our Manchester Strategy Outcomes (if applicable)

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Good quality homes will contribute to the sustainability of neighbourhoods, ensuring residents have a settled and stable platform to contribute and thrive.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Improving access to good affordable homes will enable households to be well connected to employment opportunities and schools.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Improving the housing offer will help residents to settle for a longer period of time and allow them to make a positive contribution to their local community and neighbourhood.
A liveable and low carbon city: a destination of choice to live, visit, work	The right mix of quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the city and enjoy a good quality of life.
A connected city: world class infrastructure and connectivity to drive growth	This approach recognises the importance a balanced housing offer plays within a well-connected city and the neighbourhoods within it. It seeks to create neighbourhoods where residents will choose to live and their housing needs and aspirations are met.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background document are available up to 4 years after the date of the meeting. If you would like a copy please

contact one of the contact officers above.

Report to Executive: Housing Investment Options: March 2003

Report to Executive: Market Rental Strategy: January 2015

Report to Neighbourhood and Environment Scrutiny Committee: November 2017

Report to Executive & Report to Neighbourhood and Environment Scrutiny Committee:

Housing Revenue Account and the Council's housing management contracts: January 2017

1.0 Selective Licensing Update

- 1.1 Selective licensing is intended to respond to problems of poor property management, crime and anti-social behaviour (ASB) within a defined geographical area. If introduced it applies to all private rented properties within the defined geographical area that are not a licensable House in Multiple Occupation. It is a tool to deliver sustainable improvements to private rented accommodation, increasing the quality of existing stock in the private rented sector in terms of both physical conditions and management standards.
- 1.2 Since the last update to this committee three further designations have come into force placing a legal requirement on landlords to obtain a licence to operate as a private landlord in specific areas of the city. The total number of licensable properties in the city is now approximately 2,000 and the duration of the pilot schemes in these areas are as follows:
- Crumpsall: 13 Mar 2017 - 12 Mar 2022
 - Moss Side: 8 Jan 2018 – 7 Jan 2023
 - Moston & Old Moat: 23 Apr 2018 – 22 Apr 2023
- 1.3 There has been a positive response from the majority of landlords in each of the areas with 99% of identified landlords in Crumpsall applying for a licence. In the remaining areas the application rate is currently 75% in Moss Side, 62% in Moston and 68% in Old Moat. Enforcement action is being progressed against those who have not yet applied. Please refer to Appendix One which details the application rate and enforcement activities for each area.
- 1.4 Once properties are licensed officers check licence holders are adhering to the licence conditions. Fifty per cent of all licensed properties will be inspected over the five year designation period. Crumpsall has so far had 32 compliance inspections and the majority of the properties were found to be broadly compliant. One property was served with a prohibition order prohibiting the use of one room in the property to be used as a bedroom due to fire safety. The landlord has since carried out the works and the notice has been revoked. 9 properties were found to be non-compliant and the landlords of these properties have been issued with Improvement Notices. Works required at 2 properties have been completed by the landlords, and works at 7 properties are ongoing and officers will check to ensure that all works are satisfactorily completed within the notice period.

Crumpsall Outcomes

- 1.5 The designation in Crumpsall has been in place for nearly 18 months and whilst this is considered too early to measure the overall impact of the five year scheme, recent feedback from some residents and landlords has been positive and the following comments have been made:
- 1.6 Crumpsall Landlord – *“[Licensing gives] landlords the opportunity to update their properties and to comply with the rules. For the tenants also to keep the surrounding areas clean, and tidy rather than dumping rubbish and furniture. I*

believe that improvement to the property standard will have a positive impact on the whole area.”

- 1.7 Crumpsall Private Tenant – *“[Despite previously complaining to the landlord about disrepair] only when the Council came to inspect the property under Selective Licensing, to check if the property meets all required criteria and regulations, the landlord started to do some work in the property. The Council served a legal notice on my landlord to force her to repair the heating. She has replaced a broken boiler and the heating is working...I am aware what to do if any further problems arise. I believe all rented properties should be inspected as people often do not know what their rights are and they live in atrocious conditions.”*
- 1.8 A total of 1,537 applications have been accompanied by a gas safety certificate, and approximately 30% had been obtained at the time of application suggesting Selective Licensing requirements have resulted in landlords complying in this area. This action along with the compliance inspections funded through the licence fee is continuing to improve the safety and standard of private rented properties.
- 1.9 The North Neighbourhood Team have observed a visual improvement in the Crumpsall licensing area with fewer untidy gardens and The Neighbourhood Team is continuing to work with residents to improve waste management.
- 1.10 There are early signs that some landlords particularly in Crumpsall and Old Moat are responding to the licensing requirements by employing local agents to manage their properties professionally which in turn will drive the professionalism of the private rented sector to deliver better property management standards and a quality rental offer. It will, however, take time to embed and the true results of the designation will only be truly understood over a longer period of time.
- 1.11 In June 2018 the government announced a review into the use and effectiveness of selective licensing. The review will see independent commissioners gather evidence from local authorities, landlord associations, tenants and other housing professionals. The findings of the review will be reported in Spring 2019, with an update on the progress of the review in Autumn this year.
- 1.12 Following the designation of the Selective Licensing pilots in Manchester, the potential for positive outcomes from the schemes is clear, and the approach taken has allowed officers to focus efforts and resource on specific, distinct areas where issues in the private rented sector are most concentrated. A review of these schemes will be carried out when they have been in place for a longer period, to understand their true impact and whether there are other distinct areas of the city that may benefit.

Evictions

- 1.13 Under the Homelessness Reduction Act, which came into force in April 2018, the Government introduced a new Homelessness Prevention Duty. In this context, Members have specifically requested information to understand what impact licensing is having on eviction levels. It is widely reported that the main cause of homelessness is due to loss of a private rented tenancy and there has been a 5% increase in Manchester in the number of households stating this as their primary reason for homelessness.
- 1.14 Homelessness eviction data for each of the four licensing areas can be used to compare those presenting as homeless due to eviction from the private rented sector prior and post designation. This is summarised in the table below and the findings suggest there are no significant changes in eviction levels since the implementation of licensing and is considered to be in line with the rest of the city. In addition to this the Council has not received a high volume of temporary exemption requests which would exempt landlords from licensing requirements if they were for example embarking on selling the property or leaving it empty.

	Prior SL	Post SL
Crumpsall	13/03/2016 - 13/03/2017 41	13/03/2017 - 13/03/2018 45
Moss Side	08/07/2017 - 07/01/2018 30	08/01/2018 - 08/07/2018 30
Old Moat	23/01/2018 to 22/04/2018 7	23/04/2018 to 23/07/2018 7
Moston	23/01/2018 to 22/04/2018 5	23/04/2018 to 23/07/2018 6

2.0 Manchester Move

- 2.1 There are just under 68,000 social homes in Manchester. Most are owned and managed by social landlords. The council owns about 15,000 social homes, of which 13,200 are managed by Northwards Housing while the remainder are homes in 3 Private Finance Initiative (PFI) schemes managed by Jigsaw Housing, Onward Housing and Your Housing Group. There are also 171 homes managed by Guinness in West Gorton and 11 bungalows in Alderley Edge managed by Peaks and Plains Housing.
- 2.2 The council and 16 social housing partners work together to ensure that anyone applying for a social home in Manchester has a single point of access and a common application process. Manchester Move is the name given to that common means of access and process.

- 2.3 Part 6 of the Housing Act 1996 requires local authorities to do two things. The first is to have an allocations scheme that lays down how social homes should be allocated in the authority's area. The second is to give "reasonable preference" in the allocations scheme to certain groups of applicants specified in the Act.
- 2.4 Manchester's latest allocations scheme was implemented in February 2011 and has been operating since then with only a few minor changes as required by changing legislation.
- 2.5 The current scheme has six bands:
- **Band 1** is applicants in real need (reasonable preference) who are in very urgent or emergency need to be rehoused.
 - **Band 2** is applicants in real need (reasonable preference) who make a contribution to their community.
 - **Band 3** is applicants in real need (reasonable preference) who do not contribute to their community.
 - **Band 4** is applicants not in real need (not in the reasonable preference groups) but who do contribute to their community.
 - **Band 5** is applicants not in real need (not in the reasonable preference groups) and who do not contribute to their community.
 - **Band 6** is comprised of applicants who do not have local connection or who have high levels of housing-related debt or because they have been involved in antisocial behaviour.
- 2.6 The Council is reviewing the allocations scheme with partners and a report will be brought back to this Committee as part of the consultation.

3.0 Housing Vulnerable people in B&Bs and how B&Bs are inspected

Housing Vulnerable people in B&Bs

- 3.1 Where a household presents as homeless to a Local Authority (LA) and the LA has reason to believe they are homeless, they will provide s.193 temporary accommodation, whilst their application is investigated. In Manchester this is most likely to be emergency temporary accommodation in a B&B type property.
- 3.2 Since 3 April 2018, under the Homeless Reduction Act (HRA), placement of a household into temporary accommodation, means that the Prevention Duty has ended and the Relief Duty is triggered.

The Prevention Duty applies where a local authority is satisfied that an applicant is threatened with homelessness and eligible, it must take reasonable steps to help the applicant secure that accommodation does not cease to be available for her/his occupation.

The Relief Duty applies where a local authority is satisfied that an applicant is

homeless and eligible, it must take reasonable steps to help the applicant secure that accommodation becomes available for at least six months.

- 3.3 Once the Housing Solutions Service (in Adult Services) is confident the household requires temporary accommodation, they will assess if B&B is appropriate, what areas the household can be placed in and what mobility/health issues need to be taken into consideration. Any decision should also take into account the suitability of any such placement.
- 3.4 At this point a referral is made to the Allocations Team, who will allocate B&B accommodation to the household. The household will remain in B&B until such time that alternative temporary accommodation is sourced, move on accommodation is secured or the LA does not owe any further duty to the household, for example where a family has found its own solution.

Triage process

- 3.5 As from June 2018 households placed in B&B accommodation can now expect to receive a support offer from B&B support workers. The 4 support workers, will focus on safeguarding, move on and income generation (i.e. Housing Benefit and benefits for the household). Move on will also encompass the private rented sector and assistance can be given by way of advice and financial assistance for rent in advance.
- 3.6 The new triage process involves the B&B support workers interviewing households in B&B to compile the information. This information is sent to the Floating Support Service, who will decide the level of need; (high, medium and low), which then determines where a household is placed in longer term temporary accommodation.
- 3.7 MCC have agreed that all high cases and some medium cases will not be placed outside of Manchester's boundary, these could be due to vulnerability, previous antisocial behaviour, health issues and other statutory services involvement, such as Children's Services. In total we have 1311 households occupying dispersed temporary accommodation. Of this, 71% are within Manchester and 29% outside (all of which are in Greater Manchester).
- 3.8 In regard to both families and single people the length of time a person spends in a B&B is dependent upon a number of factors to do with the complexity of their case such as:
 - The length of time it takes to investigate the cause of being homeless and arriving at the correct duty owed to them by the local authority
 - Intentionally homeless families may also spend a longer period in B&B due to Homelessness and Children's Services need to source appropriate accommodation.
 - The degree of complex issues an individual may be subject to, for example serious offences, may prohibit the options available

- There are high levels of demand for suitable available accommodation options for the most complex individuals.
- Families are more likely to be moved on quicker from B&B, due to the dispersed framework Homelessness have in place. The average time spent in B&B for families is 14 days.
- Families should not be placed in B&B for longer than 42 days, which is part of the statutory guidance.

3.9 The length of time spent in B&B due to the availability of suitable accommodation for people and families to move on to, is compounded by the length of time it takes to move on into permanent homes those families and individuals already accommodated within in-house and commissioned temporary accommodation, shared houses and family units.

3.10 The table below details the number of households that have presented homeless between 2013 to 2017 and that have been booked into and out of B&B accommodation. Households are typically booked out when they move to alternative temporary accommodation, leave without reason or have a negative homelessness decision.

	Families			Singles		
	Presentations	Booked in	Booked Out	Presentations	Booked in	Booked Out
2017	2211	1045	1034	4108	1186	1104
2016	1858	861	877	3472	1098	1044
2015	1607	661	642	3658	734	676
2014	1783	637	639	3681	427	424
2013	1843	372	463	3903	217	238

3.11 The data shows an increase in the levels of homelessness presentations over the last five years and a significant increase in the use of B&B accommodation being used to provide temporary accommodation. The increase coincides with welfare changes and it is expected these figures will continue to grow as households on low incomes struggle to sustain tenancies in the private rented sector and access to social housing is limited.

B&B Inspections

3.12 B&B's that provide residential accommodation as someone's main and principal home, rather than offering rooms on a commercial basis, and meet the requirements for Houses in Multiple Occupation (HMO) licensing (i.e. 3 or more stories, with 5 or more households sharing amenities such as kitchen and bathroom facilities) are included in the Housing Compliance and Enforcement team's HMO Licensing programme.

3.13 All landlords are required to apply for a licence setting out the details of the property ownership as well as management arrangements. Applications are assessed to check that the proposed licence holder meets the test set out in

the Housing Act 2004 to demonstrate that they are a fit and proper person. This includes disclosing any criminal offences.

- 3.14 Once a HMO licence is issued the licence holder is bound by the conditions of that licence. The Housing Compliance and Enforcement Team enforce standards in HMO properties, respond to requests for service from tenants concerning property condition and management arrangements and undertake inspections as part of the HMO Licensing Compliance programme. Currently an inspection takes place on receipt of an application with a further planned inspection to check compliance with the licence. Following feedback from support services and other organisations like Justlife who work with the residents of B&B properties, a further unannounced inspection is carried out each year to assist with identifying concerns proactively.
- 3.15 To reflect the complex nature of B&B properties, licences are granted for a maximum of 2 years, compared to the usual 5 year licences issued to most other HMOs. Where there has been intervention or a history of non-compliance, a licence may be issued for a lesser period of 1 year.
- 3.16 The HMO licensing scheme is extending from 1st October 2018 to encompass additional property types. As part of the work to prepare for these changes the current standard HMO licence conditions will be reviewed, and this may involve introducing additional conditions for B&B properties.

4.0 Tackling Rogue Landlords and the Rental Charter

Tackling Rogue Landlords

- 4.1 The housing team were successful in obtaining £280,000 of funding via the Control of Migration fund to conduct proactive rogue landlord work. The funding is being used to fund 3 posts for 2 years. The project started in January 2018 and has been focusing on flats above shops and portfolio landlords of concern.
- 4.2 To date the team has undertaken days of actions and follow up inspections in the Stockport Road/Slade Lane district of Longsight in the Central area, as well as the Moston Lane district centre in Moston/Harpurhey in North area. Work has now started in Cheetham Hill Road district centre also in North Area, as well as Gorton and Abbey Hey.
- 4.3 Three portfolio rogue landlords have been identified that officers are currently investigating and further referrals are being explored. Inspection data is as follows;

	Total
Inspections	98
Revisits	12
No access	13
Total visits	123
Hazard letters issued	37
Enforcement Notices	35
Prohibitions	8
Civil Penalties	0*
Prosecutions	0
Cases closed	51

** 10 cases have currently been earmarked for/ in process of building case files for prosecution/Civil Penalties.*

- 4.4 In addition to this multi-agency visits were attended by various partners including 27 with GMFRS, 15 with GMP, 4 with Immigration, 3 with Gas/Electricity North West, 3 with Neighbourhood Compliance teams.

Market Rental Pledge / Charter

- 4.5 The last update explained The Manchester Renting Pledge encourages landlords and tenants to sign up to a set of standards which is aimed at improving the private rented sector. There are currently 54 landlords and 15 tenants signed up to the pledge covering 23,000 properties across Manchester, this is an increase of 2 landlords, 3 tenants and 1,212 properties since the last update.
- 4.6 As part of refreshing the Market Rental Strategy, options to develop the pledge into a Market Rental Charter are being explored to provide not only improved property conditions and management, but to also offer longer term tenancies, reduced contractual fees, and capped rents. Working with national landlord associations, tenants groups and core city partners details of the proposal will be developed and a case study of the Manchester Life model will be reviewed as good practice.
- 4.7 We are also working with partners involved in the Manchester Renters Forum which took place in March 2018 to explore how we can better work with partners, and organisations outside of the Council to support tenants in the PRS sector and maximise resources in the city.

5.0 Social Housing and New Builds across the City

- 5.1 The Council's Strategic Housing service oversees the delivery of Manchester's Affordable homes programme with lead developing RPs. The Strategy and Partnerships team work closely with developing RPs to maximise the delivery of general needs and specialist housing on sites across the city. Funded predominantly via Homes England Shared Ownership and affordable Homes Programme (SOAHP) the £250 million construction programme not only brings new homes in a range of tenures but also significant Social Value through the employment, skills and training opportunities.
- 5.2 Over the next 10 years population growth within the city is estimated to increase by 95,000 people giving a total of 630000 residents living in Manchester by 2026. This growth is overwhelmingly driven by new job opportunities. There will continue to be a number of higher paid jobs in the financial and professional services, however, a high proportion of the job growth is forecasted to be at or below the average household income for the city, which is around £27,000. The challenge and opportunity this presents is to ensure that we continue to have new homes in decent neighbourhoods that are attractive and accessible to existing and prospective Manchester residents on a range of household incomes including those on the living wage. Our approach also takes into account the existing homes within our neighbourhoods so any new development looks to address any tenure imbalance within them. For example, the Old Moat area has a high proportion of older people living in under-occupied general needs housing, with little local provision for activities resulting in pockets of older people becoming isolated. To address this Southway Housing Trust is developing an age friendly scheme in Old Moat ward called The Minehead which will offer 10 two bed shared ownership houses, 21 shared ownership apartments and thirty three affordable rent apartments. Not only will the Minehead development enable older people to downsize into more appropriately sized accommodation, it will free up under occupied homes for families.
- 5.3 For many years the new build programme was exclusively RP led but in recent years MCC has begun to deliver and own some of the affordable homes provided. The tables below demonstrate how in excess of the 500 affordable rented homes identified as a key priority by the Executive Member for Housing and Regeneration will be delivered over the next 3 years. Within the Manchester Affordable Homes Programme the following numbers of social and affordable rented housing are scheduled to complete by March 2021:

Tenure	2018/19	2019/20	2020/21	Total
Social Rent	52	20	0	72
Specialist Social Rent (Extra Care etc)	2	142	495	639
Affordable Rent	122	48	85	255
Total	176	210	580	966

In addition, the following numbers and types of "intermediate" affordable housing are scheduled to complete by March 2021:

Tenure	2018/19	2019/20	2020/21	Total
Shared Ownership	117	222	388	727
Rent to Buy	0	214	328	542
Total	117	436	718	1269

Specialist Social rent

- 5.4 Our extra care programme is based upon Adult Social Care and Health savings being made by rehousing non-affluent older Manchester residents from expensive residential care. A 7 further extra care schemes are planned that will deliver over 500 additional units. 5 of these will be delivered by RP partners and 2 are scheduled to be delivered by, and remain in the ownership, of MCC. The benefits of the Council delivering and owning new extra care property include: MCC retain land value, lower borrowing costs, MCC ownership of a multi-million pound asset, full MCC control over the allocations and lettings to better achieve savings. Extra care housing is similar to sheltered accommodation but people have their own self-contained apartment and tenancy with access to communal facilities, plus the added benefit of a 24-hour care team based on site to respond to changing needs. Extra care apartments are offered to people over 55, the majority of whom will have a care or housing support need. Currently under construction is a 72 apartment scheme on Princess Road in Moss Side, which will be owned and managed by Mosscafe St Vincents (MSV) and due to start on site in the autumn is the 105 bed Gorton Extra Care scheme which will be owned and managed by Southway Housing Trust. All 177 homes in both schemes will be let at sheltered rent - falling within Housing Benefit levels - and are located to meet identified needs highlighted within a housing needs assessment commissioned by MCC. As older people move into the new schemes, family housing will be freed up within these neighbourhoods. There are savings to health and social care budgets too as people who would have otherwise been admitted to expensive residential care have been able to continue living independently.
- 5.5 In addition partner RPs are developing 70 specialist social rent homes for people with Learning Disabilities (LD) across 4 sites on Manchester City Council land to improve housing standards and make savings on staffing costs, currently high due to the dispersed nature of current LD accommodation. The numbers of learning disabled adults in Manchester has increased steadily over the past 15 years. Using specialist design, construction and technology, the schemes will provide flexible accommodation to meet a wide range of needs, offer more choice and reduce reliance on residential care. 24-hour staff teams based at each scheme will support the residents to live independently. Two of the schemes will replace existing shared accommodation located in general needs accommodation which is no longer fit for purpose as the residents age. The vacated 3 and 4 bed homes will be offered for sale as family homes on the open market.
- 5.6 The North Manchester New build programme being delivered directly by the City Council is an example of a project delivering new affordable homes for rent. As an investment partner with Homes England the City Council secured

£1.424m grant funding and alongside £5.4m investment from the Housing Revenue Account (HRA) this will deliver 40 new social homes let at affordable rent. The £5.4m from the HRA will be repaid through the rent from the 40 properties over a 30 year period making this a self-financing scheme. This is also a unique scheme as the 40 homes will be built across 6 small infill sites in the ownership of the City Council as follows:

Site	No of units	Ward
Tarvington Close, M40 7TQ	6	Harpurhey
Barnstaple Drive M40 7TU	2	Harpurhey
Faversham Street, M40 5EL	4	Moston
Hugo St/Rodenhurst Drive M40 5WU	6	Moston
Douglas Street, Harpurhey, M40 9DS	6	Harpurhey
Rudd Street, Harpurhey, M40 9DQ	16	Harpurhey

- 5.7 The 40 new build homes started on site in February 2018. Adverse ground conditions were found on a number of sites which caused some delays but the project is now on course to complete by end of November 2018 and will see tenants moving in by December 2018. Northwards Housing will be taking on the management of the 40 rented homes in line with the grant agreement with Homes England. These will be let at an Affordable Rent (which is 80% of market rent). They will be let through Manchester's Housing Allocations Policy through Manchester Move and preference will be given to Working Households in Band 2. If there are insufficient Working Households the remaining properties will be allocated to applicants in priority need from the Register.
- 5.8 In December 2017 an application for further funding from Homes England was successful and the Council is going to acquire 20 shared ownership homes from Taylor Wimpey on the Booth Hall site in North Manchester. To date there have been applications from 4 Manchester council tenants whose annual income is between £19,852 and £32,340. If these applications result in sales this will free up 4 social rented homes.
- 5.9 The Council has also secured £2.85m from the Homes England Shared Ownership & Affordable Housing Programme (SO&AHP) 2016-21, to deliver a further phase of the North Manchester New Build programme (NMNB2). This should deliver 75 new homes. The profile of the Phase 2 programme is expected to be:
- 25 shared ownership
 - 50 Affordable Rent homes
- 5.10 Local member consultations and engagement will start soon and a report will be brought to Executive in October 2018 which will set out the plans for the proposed scheme.

6.0 Northwards Housing

Introduction

- 6.1 Northwards Housing are the Council's wholly-owned Arms Length Management Organisation (ALMO) and its largest housing management contractor.
- 6.2 In 2016 a comprehensive review of Northwards Housing was undertaken by independent housing consultants Altair. This report concluded that, after considering a number of available options, the Council should retain the ALMO arrangement with Northwards and work with it to improve some key areas of performance and cost including conducting a series of service reviews.

Rent Service Review

- 6.3 This review focussed on achieving a number of objectives which were as follows
- Improve rent collection rates.
 - Reduce court action and improve outcomes in cases that do get to court.
 - Reduce costs, specifically reliance on external support for legal action.
 - Increase employee satisfaction.
- 6.4 For this review to be successful it was important to engage with staff and other housing associations in addition to establishing a baseline position for the existing service. Further training was provided for staff to assist them in dealing with tenants. Once the processes had been examined new ways of working and new systems were introduced which allowed staff to develop their skills alongside changes in the structure of the teams which provide additional support for staff. Further changes to the service include using Experian data and working outside normal office hours to engage with tenants.
- 6.5 Further changes to the service include increased use of phone contact outside normal office hours, and joining the Rental Exchange scheme - this allows tenants' rent payments to be counted towards their credit score in a similar way to mortgage payments for homeowners, whilst also giving access to data about tenants' individual credit scores in a way which enables rent caseworkers and money advisers to be more proactive and target resources more effectively.
- 6.6 Additional information is now required from new tenants as well as arranging for appointments with Money Advisors who previously only worked with existing tenants with a poor credit record.
- 6.7 All the changes went live in April 2018 and it is expected that they will have a positive impact on the service and meet the objectives of this comprehensive review. There are very positive signs that these changes have made significant improvements to the rent collection service. The rent collection

figure at the end of week 14 was 104.42%, an improvement from the same time last year of 4.7%. There has also been a reduction in arrears of £250,000.

Lettings Review

- 6.8 A new process for lettings was introduced in early 2017. This saw the creation of a dedicated new tenancy team providing an end to end service for all advertising, offering and letting of empty homes. This has led to a reduction in the time taken to let ready homes to new tenants.
- 6.9 Unfortunately however this has been offset by the delays in getting the homes ready as a result of the now concluded national dispute between operatives working for the repairs and maintenance contractor (Mears) and their management. Notwithstanding this, the overall relet time in 2017/18 reduced to 34 days from 37 days and the savings achieved by redesigning the service have been reinvested in other front line services supporting Council priorities including waste and recycling services.
- 6.10 A new more challenging target of 25 days has been set for 2018/19. It is recognised that this will require greater efficiencies across all stages of the process however Northwards have confirmed that they are working hard to achieve this and performance for the first quarter of 2018/19 is 29 days.
- 6.11 A new approach to create a “rent first” culture has been introduced requiring up-front rent payments from new tenants who have an amount payable weekly which is not covered by housing benefit. This has been implemented successfully, with no significant issues or problems reported. Any-day tenancy starts (rather than starting tenancies only on a Monday) have also been introduced. Tenants now deal with one person throughout the process, which has improved performance monitoring and made lines of accountability much clearer. While this has been viewed as a success, work will continue to further improve the service.

Governance

- 6.12 The arrangements currently in place are similar to other ALMO boards but differ from those for other Registered Providers operating in Manchester who have moved towards a model consisting of fewer people and have a greater proportion of “independents” reflecting the financial and other organisational risks associated with a multi-million pound company. A review of the governance arrangement will be undertaken by the new Director of Housing, in consultation with the Executive Member for Housing and Regeneration.
- 6.13 **The future**

Given the positive progress made since the review in 2016, the Director of Housing and Executive Member for Housing and Regeneration have agreed with the Chief Executive and Chair of Northwards Housing to develop a fresh

action plan to ensure Value for Money continues and new opportunities for collaboration are explored.