
Meeting of Executive member for Housing Services

15th February 2011

Report of the Director Communities and Neighbourhoods

Review of the YorHome Service

Summary

1. This report provides a summary of the progress made in the development of the 'YorHome' social lettings agency and discusses the viability of continuing with the service.

Background

2. In May 2009 housing services were successful in a bid for LAA funding to develop a social lettings agency. The aim of the project was to create an agency which would let private rented accommodation to households that were either at risk of homelessness or were homeless. A large number of high street lettings agencies and/or individual landlords in York are reluctant to work with CYC housing, partly due to the high demand for rented accommodation in the city and the perceptions around unemployed and homeless people. By offering private landlords a comprehensive lettings service at competitive rates, the authority would be able to open up an area of housing supply that had proved difficult to access.
3. Due to delays in the recruitment process the YorHomes development worker was not in post until the beginning of October 2009. During the next three months a menu of services to landlords including comprehensive pre-tenancy checks, repairs service, gas certificates and energy efficiency certificates and tenancy management. At the same time the legalities and ICT issues were developed.
4. The number of homes that the scheme is managing has steadily increased and there are now 45 properties managed through YorHome's, generating a monthly income £2,060 or £24,720 per year. The size of the portfolio at present means that continuing with scheme with its current structure is not sustainable. Therefore options have been explored and this report sets out options that would enable the authority to maintain the scheme and move the projects forward to a point where it is self financing.

Options

5. Option one – Decide to wind the scheme up in March 2011.

6. Option two – Restructure the service and extend the scheme until 31st March 2012 with a review of progress in September 2011.

Analysis

7. Option One – If the scheme is wound up this will restrict the options available to the Housing Options Team and could potentially increase the number of households going through the homelessness process and into temporary accommodation. There will be a missed opportunity in developing the scheme to provide a service that is more holistic and not just based on those in greatest need. It should be recognised that the scheme has been developed from a standing start in twelve months and has gone from nothing to managing 45 properties, this is a significant achievement.
8. Option Two – Despite the success of the scheme, it is clear that there have been a number of teething problems as might be expected with any new scheme. A specific issue that needs to be addressed is the administrative support that the scheme has required from our finance colleagues. Any sustainable scheme will require administrative support to ensure that it is viable. It is proposed that the scheme could develop incrementally growing to 50, 75 and then 100 homes which would result in it being self financing. When this is achieved we will need to consider the long term future of YorHome and its it desirable to explore a service that is offered to all rather than those in most need. This would be in keeping with the philosophy behind ‘housing options’.
9. It is proposed to restructure the current staffing responsibilities by:
 - a) Reducing the YorHome Development Worker post to 4 day per week from the existing 5 days.
 - b) The Homeless Support Team taking on management of the tenancies, freeing up time for the Development Worker to focus on increasing the business.
 - c) The Customer Services Assistants within the Housing team taking on the day to day administration of the service.
10. Implementing the above changes would enable the scheme to maintain its current rate, charging landlords an 8% management fee. If the scheme continues to charge at this rate and it is assumed that there are 50 properties at the start of 2011/12 and that the scheme may increase by a further 25 properties during the year this would generate an income of £30K on the fifty homes and a further £7.5K for the next twenty five, assuming for part year income.
11. This option maintains the attractive rate that has been successful in encouraging the landlords to participate in the scheme. There are concerns that any increase in the management fee will discourage landlords and some will decide to return to other agencies. The project would inevitably take longer to break even.

Corporate Priorities

12. YorHome has been developed as part of the authority’s approach to meeting its priorities within the corporate strategy, under the umbrella of inclusive city and specifically the priority to reduce the number of households in temporary accommodation.

13. The homeless strategy 2008/13 has a clear objective within the strategic aim relating to access to accommodation that fits with development of YorHome.

“Increase access to and quality of the private rented sector for homeless and potentially homeless households”

Implications

14. The implications arising from this report are:

- **Financial** - The financial implications identified in appendix one. We are currently projecting that at the end of the current financial year there will be a surplus of £10.5k. If this surplus is carried forward and the number of properties increased during 2011/12 it is projected that there will be a surplus to carry forward at the end of 2011/12 of £4.5k. By 2013/14 the income on 100 properties will sustain the development worker and administrative support making the scheme self financing.
- **Human Resources (HR)** If the option one is chosen it would be necessary to give the development worker one month notice. Option two has been discussed with the development worker and they have indicated that they would accept the post on a 4 day week
- **Equalities** None
- **Legal** None
- **Crime and Disorder** None
- **Information Technology (IT)** None
- **Property** none
- **Other** None

Risk Management

15. The risks associated with choosing option two is that the number of properties achieved by the year end are not sufficient to break even. Equally if option one is chosen there is the risk that the authority would have to house more household through the temporary accommodation route which would have financial and human consequences

Recommendations

16. The executive member is asked to approve options 2 to, restructure the service and extend the scheme until 31st March 2012 with a review of progress in September 2011 which would include exploring the opportunities to create a holistic service for all irrespective of housing need.

Reason: By maintaining the service the authority has an additional option in offer a comprehensive housing advice service. The service is vital in the authority's attempt to reduce the level of homelessness.

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Wards Affected: <i>List wards or tick box to indicate all</i>			All <i>tick</i>
			✓
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Appendix 1 Financial statement