



Department for  
Communities and  
Local Government

# Promoting mobility through mutual exchange

Learning lessons from the housing mobility demonstration projects

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# Executive summary

## Introduction

This report provides a distillation of the key lessons to be learnt from 12 authorities or partnerships of authorities selected by the Department for Communities and Local Government (DCLG) to participate in a mobility demonstration project. This project had three broad objectives: to identify the steps that social landlords can take to increase mobility via mutual exchange; to identify the benefits arising for different organisations from increased mobility via mutual exchange in the social rented sector; and to review whether a payment by results pricing model for the provision of mutual exchange services can increase mobility in the sector.

Mutual exchange is now the main mechanism through which many local authorities expect tenants to secure a move. Exercising their right to set their own transfer policies for tenants not in reasonable preference, local authorities can now limit access to the transfer list to only those people in greatest need or tenants seeking to downsize. All other tenants interested in moving can be directed to pursue a mutual exchange. This approach holds some obvious benefits for landlords. Mutual exchange is a tenant led process, in contrast to the landlord led transfer process with its associated administration costs and rent loss during void periods. Mutual exchange can also hold benefits for tenants, providing people who would struggle to secure a transfer with a means of moving to what might be more suitable or affordable accommodation, including tenants that might wish to move due to welfare reform changes. Questions remain, however, about how to maximise the efficiency and effectiveness of mutual exchange as a mechanism for promoting mobility amongst social tenants. The housing mobility demonstration project set out to try and provide some answers.

The research set out to explore the effectiveness of the different approaches to promoting mobility trialled by the 12 demonstration projects (DPs). It involved a process evaluation centred on three discrete activities: analysis of the delivery process and lessons learnt across the DPs; a survey of tenant experiences; and the collection and analysis of management data on outcomes. A full impact evaluation was not possible given the limits of mutual exchange data, the different contexts in which the DPs were working, the very different approaches they were trialling and the consequent difficulties attributing change and establishing the counterfactual.

## Promoting mobility: local authority and landlord experiences

The key lessons learnt across the 12 demonstration projects (DPs) about what works (and what does not) promoting mutual exchange can be summarised under seven headings:

- making the case for mutual exchange* - willingness to commit the time, effort and resources required to effectively promote mutual exchange is unlikely to be forthcoming if a local authority and its partner landlords are unclear about the associated costs and benefits. The local authority needs to make clear the business case for mutual exchange, the synergies with other strategic priorities explained and the benefits for both landlords and tenants understood. This can prove difficult. Many landlords do not collect robust information about the number of mutual exchanges. Data relating to inputs (actions and costs), outputs (moves) and outcomes (related consequences for landlords and tenants) is rarely available. The benefits and associated savings accruing to other services, including health and social care, therefore remain hidden. Consequently, the costs and benefits of mutual exchange are hard to trace. However, evidence points to various benefits that can be associated with mutual exchange. These include the possibility of cost savings, mutual exchange being reportedly cheaper than tenants move via a transfer. It might also represent the only realistic option available to many tenants wanting to move. Mutual exchange can also support local authorities to meet statutory duties and responsibilities associated with their strategic housing function. An important caveat however, is that the extent to which these benefits can be realised depends upon the specifics of the local context.
- the mutual exchange scheme* - a number of DPs explored the possibility of replacing the annual subscription fee that landlords typically pay to a mutual exchange provider with a payment by results arrangement, in a bid to increase efficiency and effectiveness. Under these trials, the mutual exchange provider collected a payment for each successful move, rather than a fixed annual subscription fee. Various challenges rendered these attempts impractical or ineffective, including concerns about budgets, the problem of attribution and who is benefitting from the results and should therefore pay. DPs' efforts to address problems raised by different landlords being registered with different mutual exchange providers focused on the development of local mutual exchange schemes. These can run alongside, and be linked into, the national schemes that landlords subscribe to, which might be relied upon to support cross-border moves. Local schemes respond to the fact that most tenants are seeking a move within the local area. They aim to maximise the number of properties in the local area that tenants can view and increase the probability of a tenant finding a match and securing a move. One productive approach to developing a local mutual exchange scheme is to integrate it into the existing local choice based lettings (CBL) scheme.
- collaboration and leadership* - partnership working is integral to the promotion of mutual exchange. Mutual exchange typically involves tenants moving relatively short distances. The more landlords in an area that are actively promoting and supporting the mutual exchange process the more opportunities tenants will have to secure a move. This will demand cooperation, communication and coordination between the local authority, landlords and other service providers to ensure a

consistent and reliable system that minimises barriers and maximises the opportunities provided by mutual exchange. DPs typically met these requirements by working through existing partnership arrangements linked to the local Choice Based Lettings (CBL) scheme.

- *staffing* - experience from the DPs points to the importance of having dedicated staff to fulfil a series of key tasks that are critical to efforts to promote mobility through mutual exchange. These include: promoting support for mutual exchange amongst partner landlords; securing the commitment of local authority managers and elected members; reaching agreement with partners regarding the specifics of the local approach, including roles and responsibilities, policy, practice and resourcing; overseeing the development and the on-going management of systems and processes, including the mutual exchange website; raising knowledge and awareness about mutual exchange amongst housing officers and within other relevant services; marketing mutual exchange to tenants; and guiding tenants through the mutual exchange process. These tasks were typically delivered by staff working within the CBL team, working in partnership with staff from the different landlord organisations. It is also important that housing officers and staff in allied services are familiar with the opportunities provided by mutual exchange and the practicalities of the process so they can provide advice and signpost clients to further information and assistance.
- *making mutual exchange a viable and attractive proposition* - various steps can be taken to make mutual exchange a more attractive and viable proposition for tenants. Financial incentives might be introduced, for example, to encourage tenants to downsize via a mutual exchange. These might mirror the financial incentives often made available to transferring tenants. Landlords might also decide to be flexible in their application of regulations governing mutual exchange in order to minimise the risks associated with mutual exchange for tenants. Landlords may wish to undertake repairs on exchanged properties on a similar basis to transferred properties, in response to tenant concerns about being liable for the condition of their new property. Another opportunity for flexibility explored by some landlords in the DPs relates to the grounds on which consent for a mutual exchange is withheld. If the various rules and procedures governing the mutual exchange process are going to be interpreted flexibly, it is helpful if the landlords in an area adopt a common approach in a bid to ensure clarity and consistency in the way tenants are treated.
- *raising tenant knowledge and awareness* - tenants who are unaware or uncertain about the opportunities presented by mutual exchange are unlikely to engage with the process, reducing the pool of properties from which tenants seeking a mutual exchange might secure a match. Increasing knowledge and awareness is therefore critical to efforts to promote mobility through mutual exchange. Typically, promoting engagement was found to demand more intensive interventions and direct contact with tenants. Two types of approach were pursued by DPs: raising knowledge and

awareness among housing staff, so that they were able to inform tenants about the opportunities provided and how to go about seeking an exchange; and targeting advice and information about mutual exchange at particular tenants, including people on the transfer list seeking a move and under-occupiers. Speed-dating events proved to be a productive means of promoting mutual exchange, particularly when targeted at tenants actively seeking a move or in a situation likely to prompt interest in moving. DPs reported a number of factors that were deemed critical to efforts to promote tenant interest and engagement with mutual exchange and increase the number of moves taking place: ensure mutual exchange is an attractive product; make tenants aware of the benefits of mutual exchange; and ensure tenants understand their rights and responsibilities.

- *support and assistance and incentives* - tenants require support and assistance to successfully secure a move through mutual exchange. This can range from information and advice about the process, through to more intensive support through the exchange process. The active, tenant-led nature of the process can present problems for some tenants, who are unlikely to move via mutual exchange without assistance. DPs reported that 'hand-holding' through the process was the only way to overcome the challenges that vulnerable tenants can encounter.

## Tenant experiences of mobility

A total of 56 tenants were interviewed using a structured telephone questionnaire comprising mainly closed questions. These respondents typically sought a mutual exchange in order to escape inadequate, problematic, or unsuitable housing situations. No respondents reported seeking to move to access a 'nicer' house, or to move to a 'better' neighbourhood. They were seeking to meet housing need rather than satisfy aspiration. Moving through mutual exchange typically resulted in tenants securing an improved or more satisfactory residential situation. Most tenants reported that they had resolved the issue that had prompted them to move. A series of tangible benefits were found to have accrued to households that moved. In some cases the benefits gains were numerous and significant. Improved physical and mental health and well-being was a commonly reported consequence of moving. Other reported benefits included: better access to key services; lower living costs; being able to provide help and support to family members; access to care and support from family members; and greater independence. Potential benefits (including cost savings) were apparent for service providers. For example, being closer to family and friends was reported by some tenants to result in reduced reliance on health and social care services.

The benefits of moving were typically reported to outweigh the costs, but moving house nearly always involved a compromise. Respondents frequently appeared to have sacrificed living conditions (which were often reported to be worse after moving) for the benefits of living closer to family or to particular services or amenities. Poor neighbourhood quality and higher living costs were reported by a minority of respondents following a move.

Mutual exchange appears to have a role to play promoting more effective use of the housing stock, judging by the number of tenants seeking an exchange in a bid to escape overcrowding and the number of people who had moved to a larger or smaller property through mutual exchange. However, some tenants will not secure a move through mutual exchange without help and assistance. Finally, tenants do not appear to be enticed to move by incentive payments (although it is possible that more generous payments might provoke a different response). The opportunity to talk in person to a housing officer who can provide guidance, advice and assistance does appear to promote mobility through mutual exchange.

## Promoting mobility: Outcomes

Key points to note in terms of outcomes from the mobility demonstration projects include:

- DCLG gave just under £809,000 in grant funding to 12 DPs to test 'what works in' and 'who benefits from' increasing mobility in the social housing sector; an additional £100,000 was also given to House Exchange to provide a mobility helpline
- the largest expenditure category was staffing (40 per cent) which typically covers employing officers to promote and support mutual exchange; new or improved IT systems (14 per cent), rewards and incentives (11 per cent) and marketing activities (11 per cent) also accounted for substantial activities of projects
- there was an increase in registrations for mutual exchanges and in the number of mutual exchanges taking place, although it is not possible to directly attribute this increase to the activities of the DPs
- evidence suggests that employing housing officers to promote and support mutual exchange has led to the largest increases in mobility
- identifying potential *impact* that increased mobility may bring requires local authorities and landlords to systematically collect more robust information on inputs, outputs and outcomes from mutual exchange

# 1. Introduction

This report provides a distillation of the key lessons to be learnt from 12 authorities or partnerships of authorities selected by the Department for Communities and Local Government (DCLG) to participate in a mobility demonstration project. This project had three broad objectives: to identify the steps that social landlords can take to increase mobility via mutual exchange; to identify the benefits arising for different organisations from increased mobility via mutual exchange in the social rented sector; and to review whether a payment by results pricing model for the provision of mutual exchange services can increase mobility in the sector.

A team from the Centre for Regional Economic and Social Research, Sheffield Hallam University was commissioned to assess the costs, benefits and transferable lessons from the 12 mobility demonstration projects (DPs). This report outlines findings under the following headings:

- *Promoting mobility: Local authority and landlord experiences* - summarises the key lessons learnt across the 12 DPs about promoting mutual exchange. This includes attention to what works and barriers to promoting mobility
- *Tenant experiences of mobility* - explores tenant experiences of mobility and associated outcomes, drawing on the findings of a survey of tenants who have engaged with the mutual exchange process
- *Promoting mobility: Outcomes* - presents headline monitoring data and reviews the insights provided into the effectiveness of different approaches to promoting mutual exchange

The remainder of this chapter details the background to the housing mobility demonstration project, including an introduction to mutual exchange, an overview of the 12 DPs and a summary of the research approach.

## 1.1 Housing mobility and mutual exchange

In recent years, concerns have been raised about unmet demand for mobility among social tenants. A number of barriers to mobility have been identified. Key is the difficulties existing tenants can encounter securing a move through the traditional route of applying for a transfer. Transfer applications have traditionally been placed on the waiting list and tenants allocated a property in line with local housing allocation policy. Priority might be awarded if a tenant was under occupying their current home, but otherwise they were treated the same as any other applicant for housing and awarded priority according to their current circumstances. Unless they are deemed to be in greatest housing need, transfer applicants could find themselves waiting years before ever receiving an offer.

## **Mutual exchange: The regulatory framework**

Mutual exchanges for secure tenants operate within a regulatory framework laid down by the Housing Act 1985. A secure tenant has the statutory right to swap homes with another tenant, provided the other tenant is the tenant of a social landlord, and they both have the written consent of their landlords

A landlord can only withhold permission for a mutual exchange in certain circumstances that are defined in Schedule 3 to the Housing Act 1985. These include where:

- a court has granted an order for possession of either of the properties involved;
- an anti-social behaviour injunction is in force against the tenant or a person who lives with them; the landlord is seeking possession for anti-social behaviour; or the court has granted a suspended possession order or a demotion order because of anti-social behaviour;
- a property was designed or adapted for someone with a physical disability and no-one in proposed incoming household requires the adaption;
- the exchange would result in a property being overcrowded or under occupied.

If there are rent arrears, the landlord may give consent subject to the condition that the arrears are paid. Landlords must refuse an exchange within the maximum period of 42 days (including weekends). The 42 days commence on the day the application is delivered to their landlord. If the 42 day period expires without the landlord refusing the exchange then the landlord can no longer rely on the grounds for refusal in Schedule 3 of the Housing Act 1985 and will have to grant consent. The landlord must still consent in writing to enable the exchange to proceed.

Landlords may seek possession of properties where a mutual exchange has taken place and a payment was made in relation to that exchange (for example, where one tenant gave money to the other to secure the exchange).

Tenants of a housing association are likely to have an assured tenancy. An assured tenant's right to assign their tenancy to another person is determined by the tenancy agreement. It would be for the individual landlord to determine their criteria for allowing a mutual exchange.

The Localism Act 2012 gave landlords the power to issue flexible tenancies. Secure or assured tenants whose tenancies were issued before 1 April 2012 have the right to be issued with an equivalent secure or assured tenancy if they move.

In cases where at least one of the tenants who wishes to transfer has a secure or assured tenancy, which began before 1 April 2012, and at least one of the tenants has a flexible tenancy or a fixed term assured shorthold tenancy. Such exchanges must be done by surrender and then granting of new tenancies. The new landlord must grant the tenant(s) whose secure or assured tenancy predated 1 April 2012:

- A secure (not flexible) tenancy, (if they are a local authority) or
- An assured (not assured shorthold) tenancy (if they are a housing association).

Existing tenants will therefore retain similar security of tenure to that of their original tenancy.

Various initiatives have been introduced over the last 30 years in a bid to help tenants overcome barriers to securing a move. Mutual exchange has been a consistent feature of these schemes. A mutual exchange is when two tenants of a local authority, Arm's Length Management Organisation (ALMO), housing association agree to swap properties with each other. Mutual exchanges can take place between tenants of the same or different landlords living anywhere in the UK. Mutual exchange offers the possibility of a move regardless of immediate housing need and priority status on the local housing register.

The Housing Organisations Mobility and Exchange Services (HOMES) was launched in the early 1990s and administered several mobility schemes including the Tenant Exchange Scheme, later renamed HomeSwap<sup>1</sup>. This was a tenant led mobility initiative, which involved tenants consulting lists held by housing departments to find another tenant interested in a mutual exchange. HOMES was delivered, under grant, by HOMES Ltd but was ended in 2004 after concerns about its performance and value for money. A private sector contract was awarded in 2004 to take over operation of mobility schemes then rebranded as "moveUK". The moveUK contract was terminated in 2006 following problems with the development of a website that was intended to serve as a one stop shop providing social tenants with information about housing and employment. With no national mobility scheme in operation, a patchwork of support and provision emerged. Many social landlords signed up to one of a number of independent mutual exchange support providers that emerged to fill the gap left by the demise of HOMES (see Table 1.1). Other landlords engaged with software solutions companies to integrate mutual exchange systems into their choice based lettings systems (see the Abrisas example in Table 1.1).

In 2009 the then Conservative Shadow Housing Minister (and later Housing Minister) Grant Shapps requested that a number of organisations in the housing sector including the National Housing Federation, the Confederation of Co-operative Housing and the Local Government Association come together to form a mobility taskforce charged with coming up with ideas to improve the opportunities for social housing tenants to move. The taskforce's report was published in 2010 and focused on how to create opportunities for social tenants to move by making the best use of existing stock. In particular, it spotlighted the possibilities of increasing mobility through mutual exchanges and transfers. In a bid to increase opportunities for mutual exchange, the taskforce supported the idea of landlords signing up to at least one mutual exchange service. It also recommended better publicity for mutual exchange services and improvements in the sharing of information between these services so that all potential swaps across the UK can be viewed by tenants.

Since 2010, the coalition government has placed tenant mobility at the heart of its reform of the social housing system. Arguing that increasing levels of mobility can bring wider benefits, for example, in improved health, reduced need for state supplied social care and improvements in educational attainment, plans were set out for making it easier for tenants

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<sup>1</sup> <http://www.parliament.uk/briefing-papers/SN04696>

to move within social housing<sup>2</sup>. These included new allocation provision within the Localism Act by taking tenants not deemed to be in housing need out of the allocation system and ensuring that there is a social home swap programme allowing social tenants to maximise their chances of securing a match and moving by exchanging their tenancy with another household.

In 2011, the government launched *HomeSwap* Direct. This online scheme is designed to make it easier for tenants to find a mutual exchange by allowing them to view matches held by four participating mutual exchange providers (see Table 1.1), rather than only being able to view matches held by the provider that their landlord subscribes to. To this end, House Exchange, HomeSwapper, Locata and Abrisas signed a membership agreement setting out the conditions under which information will be shared. In addition, the Social Housing Regulator has set a new a Tenancy Standard that ensures registered providers subscribe to an internet based mutual exchange service that is a signatory to an agreement such as *HomeSwap* Direct<sup>3</sup>. As a result, tenants are now able to easily search for matches across all four providers. They can access further details about matches on free of charge on sites that their landlord subscribes to. Otherwise, they can choose to comply with the subscription rules of the mutual exchange provider themselves. The Standard also requires that registered providers publicise mutual exchange services and provide reasonable support to tenants who do not have access to the internet.

**Table 1.1: Web-based mutual exchange schemes**

Organisation	Summary
<b>HomeSwapper</b> <a href="http://www.homeswapper.co.uk/">http://www.homeswapper.co.uk/</a>	HomeSwapper is a service operated by Housing Partners Limited. It claims to be the market leading mutual exchange service with partnerships formed with more than 750 councils and housing associations and now freely accessible to more than 3.2 million social households across the UK. It also claims that over 25,000 households are swapping homes through HomeSwapper each year.
<b>House Exchange</b> <a href="http://www.houseexchange.org.uk/">http://www.houseexchange.org.uk/</a>	House Exchange claims to be the largest, national, not-for-profit mutual exchange system for home swaps and house exchanges. It was established by Circle and reports to have thousands of tenants move through House Exchange every month, with around 80 per cent moving within just six months of registration.
<b>Locata</b> <a href="http://www.locata.org.uk/">http://www.locata.org.uk/</a>	A web based application and allocation system which serves five London boroughs and 13 housing associations. Locata provides dedicated websites for landlords (see, for example, <a href="http://www.locata.org.uk/Ealing/">http://www.locata.org.uk/Ealing/</a> ). Locata focuses its activities on Choice Based lettings schemes, but also offers a mutual exchange service to landlords.
<b>Abrisas</b> <a href="http://www.abritas.co.uk/housing-options-mobility/mutual-exchange.aspx">http://www.abritas.co.uk/housing-options-mobility/mutual-exchange.aspx</a>	Abrisas provides web-based software for housing and social care options. This includes mutual exchange systems, which can be integrated into the choice based lettings systems also provided by Abrisas, allowing automatic enrolling of transfer applicants into mutual exchange programmes.

<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/8514/1853054.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8514/1853054.pdf)

<sup>3</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/8484/2109186.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8484/2109186.pdf)

Mutual exchange is now the main mechanism through which many local authorities expect tenants to secure a move. Exercising their right to set their own transfer policies for tenants not in reasonable preference<sup>4</sup>, local authorities are increasingly restricting access to the transfer list to people in greatest need and to tenants seeking to downsize. All other tenants interested in moving are often encouraged to pursue a mutual exchange. This approach holds some obvious benefits for landlords. Mutual exchange is a tenant led process, in contrast to the landlord led transfer process with its associated administration costs and rent loss during void periods. Mutual exchange can also hold benefits for tenants, providing people who would struggle to secure a transfer with a means of moving to what might be more suitable or affordable accommodation, including tenants that might wish to move due to welfare reform changes. Questions remain, however, about how to maximise the efficiency and effectiveness of mutual exchange as a mechanism for promoting mobility amongst social tenants. The housing mobility demonstration project set out to try and provide some answers.

## 1.2 The housing mobility demonstration project

In order to identify barriers and appropriate solutions to promoting mobility, the government made up to £1 million available to 12 local authority led mobility demonstration projects (DPs). These projects were charged with testing innovative and cost-effective ways of supporting mobility. Table 1.2 summarises the original aims and planned activities in each DP. The projects were due to start in October 2011, but some experienced delays and did not commence until 2012. The DPs ran for between one and two years.

The 12 authorities or partnerships of authorities were selected on the grounds that they explored different outcomes in relation to three questions:

- *what works?* - six DPs set out to explore the practical steps that social landlords might take to increase mobility and how much each of these activities cost. These DPs targeted particular groups of tenants likely to require extra support to move, including under-occupiers, non IT users, elderly and disabled tenants, people seeking moves across a local authority boundary and people interested in moving into the private rented sector. A number also set out to test the value of a dedicated helpline for tenants looking to move through mutual exchange.
- *who gains?* - six DPs focused on identifying organisations that benefit from increased mobility. Particular issues to be explored included whether increasing the number of mutual exchanges reduces the number of managed transfers and reduces costs for landlords; whether costs to health and social care providers can be reduced by arranging moves for tenants in need of care or for their carers; and whether costs for children's services can be reduced by arranging moves for certain families.

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<sup>4</sup> <https://www.gov.uk/government/publications/allocation-of-accommodation-guidance-for-local-housing-authorities-in-england>

- *payment by results* - four DPs set out to test whether paying mutual exchange providers per successful move rather than by annual subscription (as is the norm) would incentivise providers to actively pursue exchanges and improve the services they offer.

The focus of attention within the DP programme was on how to effectively promote mobility through mutual exchange. However, some DPs did explore other options for promoting mobility (see Table 1.2). These included the possibility of increasing choice by supporting social tenants to move into the private rented sector. This proved to be challenging and little progress was made during the course of the DP programme. This report therefore focuses on lessons learnt in relation to mutual exchange.

**Table 1.2: Original aims and objectives of the 12 demonstration projects\***

DP	Doing What?	How?
<b>Bracknell Forest</b>	What works?	By brokering exchanges between overcrowded and under-occupying tenants. The aim is to create a chain of lets, which will generate a final void that can be let at an affordable rent.
<b>Devon</b>	Who gains?	By identifying 20 (rolling) cases where other statutory agencies (e.g. police) are supporting a house move and promoting mutual exchange and chain lets as a housing option to this group.
<b>Doncaster</b>	What works?	By actively promoting mobility through estate agent style dedicated staff, use of different media and mobility helpline support. Tenants requesting a transfer move will be automatically registered for a mutual exchange.
<b>Hertfordshire</b>	Who gains?	By identifying the barriers for non-IT users and comparing the cost of providing this support (e.g. through a dedicated helpline) against the saving made through a mutual exchange
<b>Kent</b>	What works?	By enabling the Kent Homechoice mutual exchange system to be accessible via DigiTV and mobile phone apps.
<b>Kettering</b>	What works?	By promoting and marketing transfers and mutual exchange as a housing option for older and disabled people needing adaptations to their home, and providing officer and helpline support through the move.
<b>Leeds</b>	What works Who gains?	By promoting and supporting tenants to move into the private rented sector; encouraging moves between social landlords; providing advice and information for tenants on the benefits of moving through mutual exchange rather than a transfer and training staff to promote this as a housing option.
<b>Northampton</b>	Who gains? Payment by results?	By commissioning a mutual exchange provider to handle potential mutual exchanges; supporting people who have obtained work in the borough to move into the area; supporting people to leave hospital and move into more appropriate accommodation in the social and private rented sector; supporting existing tenants who want to move into the private rented sector; and test the viability of helpline support.
<b>Northumberland</b>	Payment by results	By developing a pricing model and then rewarding their mutual exchange provider for each successful mutual exchange that takes place, rather than paying the usual upfront subscription fee.
<b>Salford</b>	What works? Payment by results	By commissioning one of the existing mutual exchange providers to handle potential mutual exchanges beyond the local authority boundaries; by promoting mutual exchange as a housing option to tenants, and offering helpline support to find an exchange partner.
<b>West London</b>	What works? Payment by results	Two boroughs will share in-house officer support for tenants to encourage transfer applicants to take up mutual exchange, brokering, administering and assisting households and identifying the wider social and economic costs and benefits of moving; five boroughs will use better IT with dedicated helpline staff who support mutual exchange applicants, paid on the basis of the number of moves they achieve; and the costs and benefits of each approach will be measured and compared.
<b>Worcestershire</b>	What works Who gains?	By developing a service for social housing tenants with mental health needs to improve their accommodation circumstances by using the private rented sector.

\* Some DPs revised objectives during the course of the programme.

## 1.3 The research approach

The research set out to explore the effectiveness of the different approaches to promoting mobility trialled by the 12 DPs. It involved a process evaluation centred on three discrete activities: analysis of the delivery process and lessons learnt across the DPs; a survey of tenant experiences; and the collection and analysis of management data on outcomes. A full impact evaluation was not possible given the limits of mutual exchange data, the different contexts in which the DPs were working, the very different approaches they were trialling and the consequent difficulties attributing change and establishing the counterfactual.

### **(i) Reviewing the delivery process**

This strand of analysis involved in-depth work with each of the 12 DPs. The aim was to generate insights into the delivery of DPs and the initiatives they were trialling. Relevant documentation was reviewed, including original submissions to DCLG and project plans to confirm objectives and planned working arrangements. A visit was made to each of the DPs shortly after they commenced work and discussions held with the lead officer, delivery staff, partner organisations and, where relevant and possible, the mutual exchange provider. This meeting provided an opportunity to establish links and develop rapport, discuss and confirm data requirements and reporting mechanisms, explore the delivery plan and any changes made to the approach since submission of the project plan to DCLG. Telephone and email contact was maintained with each DP for the duration of the project to keep in touch with developments and a formal telephone interview was conducted at the mid and end point of each DP. The aim was to understand the different approaches taken by the DPs to promote mobility, implementation challenges and how they are overcome, lessons learnt and evidence of benefits.

At the end of the programme, all 12 DPs were invited to an interactive event hosted by the research team. The event provided an opportunity for the research team to feed back findings and test conclusions with the DPs, clarify views and opinions about barriers to promoting mobility in different contexts and ways of overcoming these challenges, confer about the most effective approaches to promoting mutual exchange and consider the future of efforts to promote mobility. The focus group environment also promoted interaction and information sharing between the DPs. The event was attended by 11 out of the 12 DPs.

### **(iii) A survey of tenant experiences**

One of the research objectives was to explore the customer insights of social tenants who engaged with the DPs in an effort to garner their views and experience of the various DP activities and secure information about mobility outcomes. This was delivered through a telephone survey of 56 tenants. A telephone survey allowed the team to collect responses to closed questions and also to explore experiences, views and opinions about mutual exchange through open ended questions. A postal or e-survey might have allowed the

team to question a larger sample and facilitated quantification of the benefits arising from mutual exchange, but the challenges of securing contact details from DPs limited the population of tenants from which the team were able to sample.

Efforts were made to draw the sample of tenants from across the 12 DPs and to include tenants who had successfully completed a mutual exchange, as well as tenants who had been unsuccessful. The hope was that details of people completing a mutual exchange or withdrawing from the process would be forwarded to the evaluation team by the 12 DPs on an on-going basis. Sampling from this population would then be purposeful, with the team reviewing the accumulating sample on an on-going basis to ensure the representation of tenants targeted by and engaging with each of the 12 DPs. However, most local authorities and landlords were not able to provide details of tenants moving through mutual exchange, reflecting the paucity of data about mutual exchanges. Seven DPs responded by reviewing records to try and identify tenants who had pursued a mutual exchange. Details of some 70 tenants were provided. These tenants were contacted by letter and telephone and invited to participate in the survey. In total, 56 tenants were interviewed, 44 of whom had recently moved house. The interviews explored the reasons why tenants wanted to move, opportunities for moving, experiences of the mutual exchange process, help and assistance received and life after the move. Interviews were conducted over the telephone using a standardised schedule, with particular questions tailored to the specifics of the relevant DP.

#### **(iv) Collection and analysis of management data**

This element of the work programme focused on the collation and analysis of management information (financial and monitoring data) and administrative and secondary data in order to:

- provide contextual information on existing mobility within social rented sector in DP areas
- assess the performance (net additional outputs and outcomes) and value for money of the demonstration projects: individually, collectively and by the payment model being trialled
- identify factors that influence the outputs and outcomes achieved
- identify changes in the patterns of mobility
- identify the costs and benefits of the measures trialled by the demonstration projects (to demonstration project authorities and other organisations benefiting from increased mobility).

The first task within this strand of work was to draw on secondary and administrative data to provide contextual information on:

- baseline mobility rates: overall rates and by the mechanism by which tenants have moved
- characteristics of movers; including demographic and household characteristics

- a profile of the stock of tenants; including demographic and household characteristics
- a profile of the stock of properties; including the size and type of properties
- local prosperity and deprivation; including estimates of local jobs and crime levels.

Data on the first four issues were obtained from Local Authority Housing Statistics (LAHS) and Continuous Recording (CORE). Data relating to the last point were drawn from Office of National Statistics (ONS) neighbourhood statistics and official labour market statistics through 'NOMIS'. Subsequently, attention focused on the collection of baseline management information from each of the 12 DPs and the on-going collection and monitoring of data to support analysis of delivery and impacts. To assist with this process, the DPs were issued with a baseline and monitoring templates. Various challenges were encountered securing these data on a regular on-going basis, undermining the insights provided into performance, effectiveness and value for money. These issues are discussed in more detail in Chapter 4.

## 2. Promoting mobility: Local authority and landlord experiences

### 2.1 Introduction

This chapter presents a distillation of the key lessons learnt across the 12 demonstration projects (DPs) about what works, and what does not, promoting mutual exchange. It is organised under seven headings:

- *making the case for mutual exchange* - emphasises the importance of providing a clear business case for mutual exchange in order to secure the commitment to local efforts to promote mutual exchange of the local authority (officers and elected members), landlords and other relevant services
- *the mutual exchange scheme* - considers what form the web-based mutual exchange scheme might take and considers a payments by results approach
- *collaboration and leadership* - spotlights the lead role to be played by the local authority, working in partnership with landlords, to promote tenant mobility through mutual exchange
- *staffing* - highlights the importance of dedicated staff driving forward efforts to promote mutual exchange
- *making mutual exchange a viable and attractive proposition* - explores various steps that can be taken to make mutual exchange a more attractive and viable proposition for tenants
- *raising tenant knowledge and awareness* - addresses the challenge of raising knowledge and awareness of mutual exchange amongst tenants
- *support and assistance and incentives* - acknowledges the fact that many tenants will require help negotiating the mutual exchange process

### 2.2 Making the case for mutual exchange

Willingness to commit the time, effort and resources required to effectively promote mutual exchange is unlikely to be forthcoming if a local authority and its partner landlords are unclear about the associated costs and benefits. The local authority needs to make clear the business case for mutual exchange, the synergies with other strategic priorities explained and the benefits for both landlords and tenants understood.

This can prove difficult. Many landlords do not collect robust information about the number of mutual exchanges. Data relating to inputs (actions and costs), outputs (moves) and

outcomes (related consequences for landlords and tenants) is rarely available. The benefits and associated savings accruing to other services, including health and social care, therefore remain hidden. Consequently, the costs and benefits of mutual exchange are hard to trace. The consensus across the DPs was that the management costs associated with mutual exchange were a fraction of the costs associated with a transfer. One DP, for example, calculated the cost of a transfer to be £2,512.67, compared to £122.37 for a mutual exchange. Transfer costs included the landlord contribution to the local choice based lettings scheme and estimations of the costs of managing a void and associated rent loss. The costs of managing a mutual exchange took into account the fee paid by the landlord to sign up to a mutual exchange provider, through which tenants could search for a mutual exchange match. However, the various activities reported by DPs as necessary to maximise the effectiveness of a mutual exchange scheme (discussed below), including marketing mutual exchange to tenants and providing tenants with support and assistance through the mutual exchange process, were not included in this calculation and will inevitably raise the cost of a mutual exchange. Also, calculations of this kind imply that a mutual exchange is a direct substitution for transfer, resulting in savings being made. This might not be the case. Mutual exchange might allow tenants to move who might never have moved via a transfer.

Various benefits can be associated with mutual exchange, in addition to potential cost savings. In high demand housing markets, mutual exchange might provide tenants with the only realistic option of securing a move and landlords with the only practical tool for promoting mobility in a bid to maximise efficient use of their stock to best meet housing need and minimise management problems, such as rent arrears. Even in less pressured housing markets, mutual exchange may be the most viable option for tenants not in reasonable preference for an allocation. Major benefits can also accrue to other services. For example, helping tenants to move through mutual exchange to more suitable accommodation rather than having their property adapted can result in savings to the local authority's aids and adaptations budget. Helping a tenant to move through mutual exchange to be closer to family and friends might serve to reduce demand on health and social care services and generate related cost savings.

Mutual exchange can also support local authorities to meet statutory duties and responsibilities associated with their strategic housing function. More effective use of the housing stock through mutual exchange can help local authorities deliver on their responsibility to support strong, vibrant and healthy communities by providing the supply of housing to meet the needs of current and future generations<sup>5</sup>. It can help local authorities fulfil on the responsibility outlined in guidance on the allocation of housing<sup>6</sup> to provide tenants with greater opportunities to move within the social rented sector and make best use of the social housing stock. It can support efforts to address housing need and prevent

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<sup>5</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6077/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf)

<sup>6</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/14786/Housing\\_allocation\\_guidance\\_for\\_local\\_authorities.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/14786/Housing_allocation_guidance_for_local_authorities.pdf)

homelessness, for example, by promoting a better match between tenant needs and housing situation. This includes efforts to assist tenants to manage financial challenges. For some this may mean seeking a property with a lower rent, and for tenants who receive rental support via housing benefit this may mean seeking a property with fewer bedrooms so as to avoid costs arising from the removal of the spare room subsidy.

An important caveat to be appended to discussion of the benefits of mutual exchange is that the extent to which these benefits can be realised depends upon the specifics of the local context. Some aspects of the local context might serve to undermine efforts to promote mutual exchange. Some of these features of the local context might be addressed. For example, the local allocations policy might be revised to rebalance the relative appeal of seeking a transfer compared to pursuing a mutual exchange. Partnership working and improved collaboration between landlords might be nurtured to support development of a more effective mutual exchange scheme. Some factors will prove more intractable. These include the specifics of the local housing system and the profile of supply, demand and provision. For example, one DP reported problems meeting demand from tenants seeking to downsize into one-bedroom properties in response to the removal of the spare room subsidy because of a shortage of one-bedroom properties within the local social rented stock. It is important that any assessment of the potential contribution of mutual exchange, the setting of targets and measurement of success are sensitive to aspects of the local context.

## 2.3 The mutual exchange scheme

The Tenancy Standard which came into force on 1 April 2013 requires registered providers to subscribe to an internet based mutual exchange service that is a signatory to an agreement such as *HomeSwap Direct*.<sup>7</sup> DPs explored new working arrangements with mutual exchange providers in a bid to improve efficient and effectiveness. In particular, attention focused on the possibilities offered by a payment by results approach, whilst some DPs sought to address the problems posed by the fact that different landlords are registered with different mutual exchange providers through the development of local mutual exchange schemes.

A number of DPs explored the possibility of replacing the annual subscription fee that landlords typically pay to a mutual exchange provider with a payment by results arrangement, in a bid to increase efficiency and effectiveness. Under these trials, the mutual exchange provider collected a payment for each successful move, rather than a fixed annual subscription fee. Four key challenges rendered these attempts impractical or ineffective:

- problems were encountered negotiating a contract that satisfied both the landlord(s) and the mutual exchange provider. Landlords raised concerns about managing the

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<sup>7</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/8484/2109186.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8484/2109186.pdf)

risks of payment by results. A particular worry was that costs could escalate and exceed the available budget. Underpinning these concerns was the fact that landlords were unclear whether payments made against outcomes (for example, the number of mutual exchanges) would be offset by other benefits and cost savings. In response, DPs explored the possibility of capping total payments. However, breaking the link between outcomes and payments undermined the incentive for mutual exchange providers to invest in efforts to increase the number of mutual exchanges

- it is difficult to determine what the desired objective might be for payment by results, beyond an increase in the number of exchanges. This reflects uncertainty about what represents a realistic or optimal number of mutual exchanges
- the problem of attribution - to what extent might an increase in mutual exchange be attributed to the work of a mutual exchange provider? What about the other agencies involved in the mutual exchange process? For example, landlords pointed out that their efforts marketing mutual exchange and guiding tenants through the process were key to the number of exchanges taking place. Also, as chapter 3 reveals, some mutual exchanges take place without the involvement of a mutual exchange provider
- there is the challenge of measuring outcomes, given that lack of robust data detailing the number of mutual exchanges. The number of mutual exchanges counted by social landlords was often found to differ from the number recorded by the mutual exchange provider

DPs efforts to address problems raised by different landlords being registered with different mutual exchange providers focused on the development of local mutual exchange schemes, which respond to the fact that most mutual exchanges involve tenants moving a relatively short distance within the same area.

In 2011, the government launched the *HomeSwap* Direct scheme, which is designed to make it easier for tenants to find a mutual exchange. *HomeSwap* Direct allows tenants looking to move to see whether there are any matches both on the website subscribed to by their landlord and on the websites of other mutual exchange providers who participate in *HomeSwap* Direct (see chapter 1). This increases the likelihood of a tenant finding a relevant match and the chances of securing an exchange. However, tenants can only access further details about matches free of charge on sites that their landlord subscribes to. Otherwise, they have to comply with the subscription rules of the mutual exchange provider themselves. Local schemes set out to avoid the need for tenants to subscribe with multiple providers to view full details of matches in the local area, recognising that this requirement can amplify the problems tenants encounter with the mutual exchange process and raise the costs of pursuing a mutual exchange.

One productive approach to developing a local mutual exchange scheme is to integrate it into the existing local choice based lettings (CBL) scheme. Doing so can hold a number of

benefits. First, landlords might be more willing to buy into a local mutual exchange scheme if it is presented as a natural extension of existing collaborative efforts to increase choice and mobility. Second, landlords are already cooperating around choice based lettings. Partnership structures and working relations are already established. Third, tenants already know to visit the local CBL website to look for information and advice about securing a move. It can be obvious place to advertise the opportunities provided by mutual exchange and signpost tenants to more information. Fourth, mutual exchange can be presented to tenants as one of a number of options available when looking for a new home, rather than a distinct, separate and alternative proposition to the more familiar option of applying for a transfer. An example is the online mutual exchange service available to tenants in Salford Home Search.<sup>8</sup> Managed by Salford City Council, the mutual exchange facility is part of the choice based lettings website. Tenants are able to register for a mutual exchange and search for a swap with more than 10 landlords with stock in the area.

## 2.4 Collaboration and leadership

Partnership working is integral to the promotion of mutual exchange. Mutual exchange typically involves tenants moving relatively short distances. The more landlords in an area that are actively promoting and supporting the mutual exchange process the more opportunities tenants will have to secure a move. This will demand cooperation, communication and coordination between the local authority, landlords and other service providers to ensure a consistent and reliable system that minimises barriers and maximises the opportunities provided by mutual exchange. Effective partnership working demands that the aims and objectives are agreed and owned by all partners, roles and responsibilities are clearly defined and there is clear and effective leadership. DPs typically met these requirements by working through existing partnership arrangements linked to the local CBL scheme.

Local authorities coordinate and manage local CBL schemes as part of the statutory duty to maintain an allocation scheme for determining priorities between applicants for housing and which sets out the procedure to be followed when allocating housing accommodation. Management of a local mutual exchange scheme represents a natural extension of this responsibility. It is also difficult to point to another organisation that could fulfil this role. As the democratically accountable body with responsibility for the well-being of the local population, local authorities have a role to play directing policy and practice to meet the (housing) need in the area. Local authorities are also experienced in partnership working, which is now the means through which many programmes and services are now delivered at the local level.

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<sup>8</sup> <https://www.salfordhomesearch.co.uk/mxsearch.aspx>

## 2.5 Staffing

Experience from the DPs points to the importance of having dedicated staff to fulfil a series of key tasks that are critical to efforts to promote mobility through mutual exchange. These include:

- promoting support for mutual exchange amongst partner landlords
- securing the commitment of local authority managers and elected members
- reaching agreement with partners regarding the specifics of the local approach, including roles and responsibilities, policy, practice and resourcing
- overseeing the development and the on-going management of systems and processes, including the mutual exchange website
- raising knowledge and awareness about mutual exchange amongst housing officers and within other relevant services
- marketing mutual exchange to tenants
- guiding tenants through the mutual exchange process

In the DPs, these tasks were typically delivered by staff working within the CBL team, working in partnership with staff from the different landlord organisations.

It is also important that housing officers and staff in allied services are familiar with the opportunities provided by mutual exchange and the practicalities of the process so they can provide advice and signpost clients to further information and assistance. Active promotion of mutual exchange demands that housing officers understand and are aware of the practicalities of the mutual exchange process and the opportunities it offers, so they can inform and advise relevant tenants. Training or briefing sessions for staff are one approach employed by DPs to increase knowledge and awareness about mutual exchange within the staff base. Supporting mutual exchange might also involve landlords assuming a more flexible approach to mutual exchanges and reforming policies that limit the number of exchanges taking place. To this end, it might be necessary to raise knowledge and understanding of mobility options and the opportunities provided by mutual exchange to chief officers, senior staff and elected members.

Raising awareness and understanding among other service providers about the mutual exchange process and the opportunities it provides can increase the number of people engaging with the process. Services working with people requiring a move, such as occupational therapists and other health and social care services, are unlikely to refer clients to a mutual exchange service if they are unclear about what is involved and help that might be available to assist people through an exchange. Recognising this fact, DPs held mutual exchange information sessions for health and social care practitioners who frequently request transfers on behalf of clients. The sessions provided information about

how the mutual exchange process operated and how it could support service delivery and provide cost savings. However, making the case for mutual exchange (particularly when exploring the possibility of financial support for mutual exchange) can be difficult without hard data or illustrative case studies to evidence the contribution that mutual exchange can make.

Some DPs also actively promoted knowledge and understanding of mutual exchange within public-facing services likely to come into contact with tenants. In one DP, briefing sessions were held with staff working for the local authority's customer contact centre, which answers switchboard enquiries, handles many types of service specific enquiries and transactions and, where appropriate, refers people on to specialist services. Another DP held surgeries in jobcentre plus offices and met with local employers who may have recruited people from outside the area who required a cross boundary move.

## 2.6 Making mutual exchange a viable and attractive proposition

Various steps can be taken to make mutual exchange a more attractive and viable proposition for tenants. Financial incentives might be introduced, for example, to encourage tenants to downsize via a mutual exchange (although experience from the DPs suggests that relatively small incentives of £100 or £200 have little impact). These might mirror the financial incentives often made available to transferring tenants. Landlords might also decide to be flexible in their application of regulations governing mutual exchange in order to minimise the risks associated with mutual exchange for tenants. This might include undertaking repairs on exchanged properties on a similar basis to transferred properties, in response to tenant concerns about being liable for the condition of their new property. Tenants making a mutual exchange sign a report on the condition of the property they are intending to move into to say that they accept the property in its current condition. It is therefore important that the tenant inspects the property thoroughly. This is not always possible. There is also the possibility that damage might occur to the property after the inspection. However, if the repair is deemed to be the result of inappropriate or malicious damage the landlord has no duty to carry out the repairs. In contrast, in the case of a transfer, the landlord carries out void works before the tenant moves in. A gas safety check is completed, an electrical test is performed. Any necessary repairs are completed so the transferring tenant can move into a problem-free property.

Another opportunity for flexibility explored by some landlords in the DPs relates to the grounds on which consent for a mutual exchange is withheld. A landlord can withhold consent for a mutual exchange on one or more of the grounds set out in Schedule 3 of the Housing Act 1985 (as amended by the Housing Act 2004). These include: if legal action has been taken against the tenant because of anti-social behaviour; the property the tenant wishes to move to is deemed too large for their needs (one spare bedroom is normally considered reasonable); the property the tenant wants to move to is too small for their needs; or if the property has features which make it particularly suitable for people

with disabilities. Consent for a mutual exchange is not withheld if a tenant is in rent arrears, but it can be made a condition of the permission granted by the landlord that the tenant clear all arrears before the mutual exchange takes place. Some landlords rigidly enforce this guidance, ignoring the fact there may be a sound business case (as well as moral grounds) for interpreting the guidance more flexibly. Consent is withheld, regardless of the potential benefits for the tenant and the landlord of the exchange proceeding. For example, consent might be withheld from a tenant with modest rent arrears, even though the exchange would result in them moving to a smaller property where they can afford to pay the rent and would be less likely to accrue rent arrears. Consent might be withheld on the basis that the tenant was moving into a property with one spare bedroom, even though the tenant could afford the rent (for example, they might be beyond working age and qualify to receive the spare room subsidy) and would benefit from moving into what might be more suitable accommodation (for example, a ground floor flat, an adapted property or a dwelling nearer to the support of family and friends). A more productive approach involves weighing up the costs and benefits of consenting to an exchange.

If the various rules and procedures governing the mutual exchange process are going to be interpreted flexibly, it is helpful if the landlords in an area adopt a common approach in a bid to ensure clarity and consistency in the way tenants are treated.

## 2.7 Raising tenant awareness

Many tenants are unaware or unclear about the possibilities provided by mutual exchange. Tenants who are unaware or uncertain about these opportunities are unlikely to engage with the process, reducing the pool of properties from which tenants seeking a mutual exchange might secure a match. Increasing knowledge and awareness is therefore critical to efforts to promote mobility through mutual exchange.

DPs were unconvinced about the effectiveness of flyers and leafleting as a means of raising awareness and understanding among tenants. Articles in tenant newsletters were also reported to have had little impact. Advertising on buses and on local radio was reported to have proved more effective at raising awareness of mutual exchange. Typically, promoting engagement was found to demand more intensive interventions and direct contact with tenants. Two types of approach were pursued by DPs:

- raising knowledge and awareness about mutual exchange among housing staff, so that they were able to inform tenants that they come into contact with about the opportunities provided and how to go about seeking an exchange
- targeting advice and information about mutual exchange at particular tenants, including people on the transfer list seeking a move, under-occupiers (including tenants who wish to move due to welfare reforms) and people seeking adaptations.

Speed-dating events proved to be a productive means of promoting mutual exchange, particularly when targeted at tenants actively seeking a move or in a situation likely to prompt interest in moving. These events involve issuing invitations to tenants to attend a

session where they can find out about opportunities for moving, are introduced to mutual exchange and are assisted to register and search for possible matches. Sessions might usefully focus on people over and under-occupying and tenants wishing to move due to welfare reforms. Mutual exchange providers can also provide useful customer insights about particular shortfalls in the types and locations of property available, based on the searches run by tenants, which might inform the targeting of marketing activities.

DPs reported a number of factors that were deemed critical to efforts to promote tenant interest and engagement with mutual exchange and increase the number of moves taking place:

- *ensure mutual exchange is an attractive product* - to this end, steps might have to be taken to address problems tenants can sometimes encounter after moving via a mutual exchange. These include the poor conditions that some tenants experience. In response, a landlord might review its policy on repairs to mutual exchange properties; when moving via a mutual exchange a tenant agrees to accept the property in its current condition and the landlord is not liable to decorate or change or repair any alterations or damage made by the previous tenant. Concerns about a deterioration in tenancy rights might also serve to render a mutual exchange less attractive. It is important to counter such fears by explaining to tenants that the Localism Act gives protection to tenants with a secure or assured tenancies granted before April 2012 who exchange with a tenant with a flexible or assured shorthold tenancy. In this situation, the new landlord must grant a secure tenancy for local authority tenants or an assured tenancy for housing association tenants.
- *make tenants aware of the benefits of mutual exchange* - mutual exchange can prove a much quicker way of securing a move than waiting for a transfer. Tenants with little chance of securing a transfer might be able to move via mutual exchange. Making tenants aware of these facts can increase interest in mutual exchange. For the same reason, it is important to inform tenants if the odds of securing a transfer lengthen because of changes to how the waiting list is managed. Positive casestudies help make tenants aware of the possibilities provided by mutual exchange. They also highlight how mutual exchange might be able to help tenants solve problems with where they live, such as the need for adaptations, distance from friends and relatives, and difficulties paying the rent.
- *ensure tenants understand their rights and responsibilities* - tenants need to be clear that mutual exchange is a tenant led process demanding active engagement on an on-going basis, which is more akin to buying or selling a house than seeking a transfer. The implications of the move also need to be clearly understood, including any change in tenancy rights and variation in rent level.

## 2.8 Support, assistance and incentives

Tenants require support and assistance to successfully secure a move through mutual exchange. This can range from information and advice about the process, as outlined above, through to more intensive support through the exchange process. The active, tenant-led nature of the process can present problems for some tenants, who are unlikely to move via mutual exchange without assistance. DPs reported that 'hand-holding' through the process was the only way to overcome the challenges that vulnerable tenants can encounter. These include:

- accessing and using mutual exchange websites
- reviewing matches on an on-going basis
- managing inquiries about their property
- negotiating with other tenants
- managing the move
- home-making following the move (for example, repairs and decoration).

The ideal response would be one to one support to guide people through the process, help them with the move and settle them into their new property. However, this is likely to prove impractical from a resource point of view. The response in some DPs was to focus support on the most vulnerable tenants or on facilitating moves of the greatest strategic value to the landlord. Another response was to provide less resource intensive forms of advice and support. Telephone helplines were provided by a mutual exchange provider in five DPs. However, helpline services were reported to have proved relatively unpopular with tenants, who were reported to prefer face to face contact with a housing officer.

Moving home can prove a daunting prospect for some tenants. Tenant concerns reported by DPs included the costs and practicalities of moving, concerns about the condition of the new accommodation and the costs of putting right any problems. These concerns can undermine willingness to consider a mutual exchange. Some DPs countered these concerns and practical challenges by providing financial and practical assistance with the move and ensuring that people are not moving into poor conditions, by carrying out basic repairs and providing help connecting to utilities. Once again, addressing these concerns has resource implications. One approach adopted by DPs was to ensure that the mutual exchange process was comparable, in terms of costs and outcomes for the tenant, with the transfer process. This included comparability of incentives offered to encourage under-occupiers to move to a smaller property.

## 2.9 Conclusion

The experience of the DPs suggests that mutual exchange can play an important role facilitating mobility within the social rented sector. However, maximising this contribution requires that local authorities and social landlords actively commit to promote mutual exchange. This involves leaving behind the notion that mutual exchange is a tenant led process and becoming actively involved in guiding tenants through the process. Key lessons learnt across the DPs include:

- effective marketing of mutual exchange can increase the number of tenants registered with a mutual exchange provider *and* actively seeking a match. The more tenants registered for a mutual exchange the more tenants have a chance of securing a match
- local authorities and social landlords will need to work together to create common protocols, systems and processes to support local efforts to promote mobility through mutual exchange
- dedicated staff are necessary to deliver the range of tasks that are required to make mutual exchange a realistic and realisable option for the majority of tenants
- local authorities and social landlords will need to provide direct support and assistance to tenants in order to maximise the gains that can be secured through mutual exchange
- tensions between mutual exchange and other aspects of policy and practice will need to be minimised and synergies maximised. This might include, for example, greater flexibility to allow people with arrears to move through mutual exchange.

## 3. Tenant experiences of mobility

### 3.1. Introduction

This chapter explores tenant experiences of mobility and associated outcomes, drawing on findings from a survey of tenants who engaged with the mutual exchange process during the course of the demonstration project.

A total of 56 tenants were interviewed using a structured telephone questionnaire comprising mainly closed questions. Respondents were also invited to briefly describe and reflect upon their experience of moving. Interviews were secured with tenants in seven DPs (Devon, Doncaster, Kent, Kettering Leeds, Northumberland and Salford). The tenants surveyed had either moved (44 respondents) or sought a move through mutual exchange during the course of the demonstration project (12 respondents). There was no way of determining that all tenants had engaged with a DP, but all were tenants of participating landlords.

Discussion begins by exploring reasons why tenants wanted to move, before going on to explore the process of finding a new home and help received, change in situation as a result of moving home and outcomes arising from moving.

### 3.2. Key findings

The overarching findings can be summarised as followed:

- *respondents typically sought a mutual exchange in order to escape inadequate, problematic, or unsuitable housing situations.* No respondents reported seeking to move to access a 'nicer' house, or to move to a 'better' neighbourhood. They were seeking to meet housing need rather than satisfy aspiration.
- *moving through mutual exchange typically resulted in tenants securing an improved or more satisfactory residential situation.* Most tenants reported that they had resolved the issue that had prompted them to move.
- *a series of tangible benefits were found to have accrued to households that moved.* In some cases the benefits gains were numerous and significant. Improved physical and mental health and well-being was a commonly reported consequence of moving. Other reported benefits included: better access to key services; lower living costs; being able to provide help and support to family members; access to care and support from family members; and greater independence.
- *potential benefits (including cost savings) were apparent for service providers.* For example, being closer to family and friends was reported by some tenants to result in reduced reliance on health and social care services.

- *the benefits of moving were typically reported to outweigh the costs*, but moving house nearly always involved a compromise. Respondents frequently appeared to have sacrificed living conditions (which were often reported to be worse after moving) for the benefits of living closer to family or to particular services or amenities. Poor neighbourhood quality and higher living costs were reported by a minority of respondents following a move.
- *mutual exchange appears to have a role to play promoting more effective use of the housing stock*, judging by the number of tenants seeking an exchange in a bid to escape overcrowding and the number of people who had moved to a larger or smaller property through mutual exchange.
- *a shortfall in suitable properties in preferred locations on mutual exchange websites prompted some tenants to bypass mutual exchange providers* and pursue an exchange through informal networks.
- *some tenants will not secure a move through mutual exchange without help and assistance*.
- *tenants do not appear to be enticed to move by incentive payments* (although it is possible that more generous payments might provoke a different response). The opportunity to talk in person to a housing officer who can provide guidance, advice and assistance does appear to promote mobility through mutual exchange.

The following sections explore these findings in more detail.

### 3.3. Reasons for wanting to move

All respondents articulated clear reasons for wanting to move (see Table 3.1). Typically, moving represented a means of resolving a particular problem, such as overcrowding, problems paying the rent linked to welfare reforms or exposure to anti-social behaviour. Respondents also reported needing to be closer to family members or places they visit on a regular basis such as school, work or hospital. Four respondents talked specifically about wanting to move closer to their GP.

Respondents wanting to move closer to family, friends and facilities often reported specific reasons for wanting to do so. Several, for example, required care or support from family members due to disability or physical and mental ill health, or required help with childcare. Others wanted to be in a position to *provide* care and support, for example, to elderly parents or to grandchildren. Two respondents reported suffering from a serious illness and wanting to move so it was easier to access essential health care.

**Table 3.1 Reasons for wanting to move (all respondents n=56)**

	Reason*	Main reason
To move nearer to family, friends, school, services	17	10
Property unsuitable because of overcrowding	13	11
In response to welfare reforms (e.g. bedroom tax)	9	9
Anti-social behaviour / crime	9	4
To move to a smaller property	9	4
Problems with neighbours	8	2
Property unsuitable because of ill health/disability	7	4
Property unsuitable because of poor condition	5	1
Could not afford rent	3	1
To move nearer work	2	0
Domestic violence	1	1
Asked to leave by family or friends	1	1
Racial harassment	1	1
Other**	11	7

\* Respondents could cite several reasons for wanting to move and were then asked to cite one main reason. Responses were coded subsequently.

\*\* 'Other' reasons cited included wanting a cheaper property, a larger property, and a property more suitable for a child.

Talking in more detail about their reasons for seeking a move, respondents revealed a host of problems associated with their circumstances prior to moving.<sup>9</sup> Living far from friends and family was not, for example, merely a practical inconvenience but, in some cases, was reported to result in feelings of isolation, anxiety and depression.

Respondents who had or were living in overcrowded accommodation talked about the impact of living in cramped conditions and sharing bedrooms. Reported concerns included:

- disrupted sleep (for example, where adults were sharing a bedroom with children or older children were sharing with pre-school siblings) making it difficult to concentrate at work and at school. One tenant reported that her family of four were sharing one bedroom.
- family stress and conflict due to lack of private space
- the consequences for educational attainment amongst children and young people who had no private or quiet place to study
- behavioural problems amongst younger children due to lack of space to play and stress of a confined or crowded living environment.

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<sup>9</sup> Twelve respondents were seeking a move but were yet to move. These respondents therefore referred to their current situation, whilst those who had moved referred to their circumstances prior to moving.

We return to this issue in more detail in section 4.4 when we consider some of the positive outcomes and cost savings that might flow from a mutual exchange. The key point to note here is that reasons for moving were closely related to household circumstances. Failure to secure a move would have a detrimental impact on the well-being of many of the tenants surveyed.

The survey did not explore how long respondents had been trying to move or what other options they had explored to try and secure a move. However, in the course of the interview, ten respondents mentioned having been either on a transfer list, actively bidding for a tenancy on a choice based letting system or actively seeking a mutual exchange for between 18 months and six years without any success. For example, one household of five who reported living in overcrowded accommodation recounted being on a transfer list for five years and actively bidding on the local choice based lettings system for the last year without success. The fact that some of these tenants had secured a move via mutual exchange points to its potential as a mechanism for helping some social tenants secure a move that might not otherwise be possible.

### 3.4. Finding a new home

Respondents did not know whether the help they received was formerly part of the DP, or was an aspect of existing policy and practice; most local authorities and landlords were already engaged in efforts to promote mobility through mutual exchange prior to the launch of the DP. Nevertheless, their experiences of seeking or securing a move offer some useful insights into the effectiveness of the different approaches taken across the DPs to promote mobility through mutual exchange

Respondents were asked whether they had received help with different aspects of moving (see table 3.2.). In total, 31 out of 56 respondents reported receiving some form of help, advice or assistance. Thirty respondents reported receiving specific help with the mutual exchange process (Table 3.3).

**Table 3.2 Help and assistance to find or move home**

Type of assistance	Number receiving assistance
Advice about moving from a friend or relative	21
Assistance registering with a service	9
Payment for moving	8
Help organising and arranging your move	7
Help with the cost of moving	3
Help with the cost of redecorating	0

n=56

**Table 3.3 Specific help, advice or promotion**

<b>Specific activity</b>	<b>Received assistance</b>	<b>Found it useful or very useful</b>
Advice or guidance from a housing officer	15	10
Help registering on a mutual exchange website	9	6
Information/leaflets about mutual exchange	4	4
A helpline about mutual exchange	1	0
Help viewing a property	1	1

n=56

In total, 22 of the 44 respondents who had secured a move through mutual exchange found a match and secured an agreement to exchange with a tenant through word of mouth or independent advert, rather than via a mutual exchange service and only contacted their landlord once the two parties had agreed to exchange. Most of these respondents were registered with a mutual exchange service and had been actively searching for a match. The most commonly reported barrier to securing a move through a mutual exchange service was the absence of a suitable match or a lack of interest from other tenants in their own property. Increasing the number of tenants registered with a mutual exchange service would go some way to resolving this problem.

Respondents reported being prompted to register with a mutual exchange service by friends or because they had prior experience of mutual exchange and were aware of the possibilities it offered. Welfare reform and, in particular, the removal of the spare room subsidy, were identified as a reason for seeking to move and registering with a mutual exchange provider (nine respondents identified under-occupancy rules as the key reason for seeking a move). Some respondents also reported being contacted by their landlord and advised to register for mutual exchange if they had registered for a transfer. This finding is consistent with practice in some DPs, where landlords actively encourage people seeking a transfer to consider mutual exchange as a means of affecting a move.

Most respondents who received help with the mutual exchange process reported finding this assistance useful or very useful (Table 3.3). Discussions with respondents revealed that personal, face-to-face advice and assistance from a housing officer was particularly valued. This included help registering with a mutual exchange provider and searching for appropriate properties. There were also examples where housing staff had actively facilitated three or four way exchanges. Several of the tenants who reported not receiving any help or assistance from a housing officer suggested that such help would have been welcomed and would have made the process easier. Friends and family also emerged as an important source of advice and assistance. Several respondents explained that someone else (usually a son or daughter) helped them register with a mutual exchange service. Some of these respondents reported that it was unlikely they would have registered without this help, a finding consistent with the conclusion drawn by the DPs that tenants frequently require help and assistance to engage with the mutual exchange process (see chapter 2).

Eight respondents had received incentive payments to encourage them to move. Incentive payments are frequently employed to try and encourage tenants to downsize and free up larger properties. Five of these eight respondents reported that the incentive payment had no influence on their decision to move. Only one respondent reported that she would not have moved without it (two did not comment).

### 3.5. Moving home

The vast majority (42) of the 44 respondents who had moved had done so through a mutual exchange. Typically, this move involved a change in circumstances; a move to a different area, a different landlord, or a different sized property (Table 3.4.).

The majority of respondents who had moved house (25 out of 44) had moved to a different neighbourhood. Most (22) remained within the same local authority area. In total, 31 of the 44 respondents who had moved house moved within two miles of their previous home.

**Table 3.4 Change as a result of moving**

<b>Moving to a different....</b>	<b>Number</b>
neighbourhood	25
sized property	22
landlord	12
type of property	5
type of tenancy	5

n=44

Half of the respondents who had moved house (22) had moved to a different sized property. Thirteen respondents reported downsizing (all from a three bedroom property) and nine reported moving to a larger property, all of whom had previously occupied a two bedroom property. Most respondents reported gaining or relinquishing one bedroom as a result of their move; only one household gained two bedrooms and two households relinquished two bedrooms. Analysis of household composition reveals that most these tenants were moving into what might be deemed more appropriately sized accommodation (neither under or over-occupying). This fact points to the potential for mutual exchange to contribute to efforts to increase effective use of social housing stock.

Five of the 44 tenants who had moved had experienced a change in tenancy conditions as a result of moving. However, none of the respondents completing a mutual exchange had lost their security of tenure. One respondent who had pursued a mutual exchange in the event moved into the private rented sector. This involved moving from a secure council tenancy to an assured shorthold tenancy. Respondents did not express any concerns about the possibility of a change in their tenancy conditions when discussing the pros and cons of moving via a mutual exchange.

It appears that many tenants succeeded in addressing the issue that was prompting them to move. For example, six of the eight movers who cited overcrowding as their main reason for wanting to move had moved to a larger property. These six respondents had previously been living in a two bedroom property. Five of the six were households with three or more children. The majority (11) of the 14 movers who indicated that they wanted to move to be closer to family, friends, work or particular amenities or services had moved to a different neighbourhood.

### 3.6 Mobility outcomes

The vast majority (42 out of 44) of respondents who had moved confirmed that their new property addressed most or all of the reasons they had wanted to move. This did not mean that respondents' new housing situations were perfect. As we will see below, new issues and challenges sometimes emerged. However, most reported satisfying the residential needs identified prior to moving.

Regardless of the reasons for wanting to move, the evidence suggests that tenants typically secured an improved or more satisfactory residential situation as a result of moving home. For example:

- nearly three quarters (30) reported that, overall, their circumstances had improved since moving (three reported that it had worsened and nine reported no change)
- the majority (34) reported that the size of their new property was better than their previous home (six reported that it was worse and four reported no change)
- the majority (30) reported that the type or layout of their new home was better than their previous home (4 reported it to be worse and 10 reported no change)
- half of respondents reported better proximity to family in their new home and none reported this to be worse (the other half of respondents reported no change)
- 19 reported better proximity to key facilities and none reported this to be worse (15 reported no change)
- more than half (13) of the 22 respondents who required childcare reported better proximity to childcare in their new home (only one reported this to be worse)

A host of further beneficial outcomes were found to have flowed from these positive changes in respondents' residential circumstances.

Improved physical and mental health and well-being emerged as a common benefit associated with moving and featured heavily in respondents' mobility stories. More than half (25) of the movers surveyed reported improved mental health and well-being since moving (most of the remainder reported no change) and 12 reported improved physical health (the remainder reported no change). It is impossible to establish the extent to which respondents' improved health can be attributed to their move. Respondents themselves,

however, were convinced of a causal link. They talked about being '*more at ease*', '*happier*', '*feeling more positive*' and '*feeling better in myself*' in their new homes and neighbourhoods, attributing this directly to factors associated with their current home (for example being able to see children or grandchildren every day, having moved closer to them) or to the relief of no longer having to cope with problems associated with their previous home (such as anti-social neighbours). Specific examples include:

- a woman with bipolar disorder reporting improved mental health since moving. Her children live with their grandmother because of the respondent's mental health issues. She previously lived some distance from them and so was unable to make frequent visits. She now sees her children often and attributes her improved mental health to this fact.
- a woman suffering from stress, depression, mobility issues and angina attacks reported a significant improvement in mental and physical health since moving. She now lives closer to family; her new home is adapted to her physical needs and has good transport links. She reported no longer feeling depressed or stressed and attributed this to being able to get out and about more, see family frequently and manage in the home better.
- a woman who has found her arthritis less troubling since downsizing to a more manageable property with a smaller garden. Previously, the housework and gardening took its toll physically; leaving her troubled by her arthritis but this is no longer the case.
- a woman with a son with autism reported reduced stress now she has family nearby to help with his care and offer her some respite.
- a woman who pointed to the positive impact of moving on her daughter's health and well-being. Her daughter was being bullied by local children and had few friends nearby. Since moving, her daughter is no longer being bullied, has made friends with children in the new neighbourhood and is much happier as a result.

There are obvious potential cost savings associated with these outcomes, particularly for social and health care providers. Several respondents, for example, were previously in need of medical intervention that they had since dispensed with or were less reliant on due to improved health. Others were able to provide (or receive) care that was previously the responsibility of formal services.

In addition to improved health and well-being, other positive outcomes associated with moving home included:

- proximity to family members able to offer regular childcare, thereby providing respondents with more opportunity to work

- regaining a sense of independence by moving into a home with the necessary adaptations. One respondent had previously relied on her husband to wash and bathe her but she can now do this for herself
- financial savings to the tenant, particularly due to lower travel costs, for example where respondents had moved closer to work, shops, services, school, and family. A total of 13 respondents reported that their travel costs had reduced since moving home (see table 3.5). Eleven of these respondents had moved to a different neighbourhood. In total, half of all tenants who moved to a different neighbourhood reported making savings on travel costs. Savings were also reported to be associated with downsizing to a smaller property that was cheaper to run. One respondent no longer needed to subscribe to a 24 hour emergency call out service now that she had moved closer to family who could help in the case of an emergency. Other examples of savings made as a result of moving included reduced childcare costs (family members now being close enough to provide care that previously had to be purchased from a childcare provider) and avoiding the implications of the reduction in their housing benefit because they were deemed to be under occupying their previous property.
- reported benefits at work and in educational attainment, as a result of moving out of overcrowded accommodation, no longer having to share bedrooms, suffer the noise and distraction caused by other household members and neighbours and having a quiet place to study and sleep.

The mobility story of one family illustrates how multiple benefits can accrue to a household as a result of moving house. The respondent in question had health problems and required care from her husband. In her previous home the nearest public transport was 20 minutes' walk away, making it difficult for her to go out. She now lives a few minutes' walk from public transport, goes out every day and reported feeling much happier as a result. She also now lives much closer to her daughter, who used to visit once a week but can now visit daily to help with cleaning, washing, lifting, changing beds and shopping. Not only does this benefit the respondent, but also reduces the burden on her husband, who himself has health problems. This respondent also reported being less reliant on the help and support of social services, illustrating the way in which a move can reduce pressures on health and social care services as a result of improved health outcomes and the shifting of caring responsibilities from formal services to family and friends. Another example is provided by the case of a tenant who reported relying on a visit from a home care worker four times a week prior to moving home, but no longer requires this service since moving close to her daughter. Service interventions to address neighbour disputes, anti-social behaviour and harassment were also reported to be no longer necessary following a move.

Moving had proved a positive experience for most tenants, but this does not mean that problems and challenges were not encountered. Many of these problems relate to issues acknowledged by landlords as holding the potential to undermine interest in mutual

exchange (see chapter 2). Poor housing conditions emerged as a key concern among respondents who had moved. Nearly half of these tenants (20 out of 44) reported that their current home was in worse condition than their previous home while only seven reported improved conditions (17 reported no change). When asked to cite the worst aspect of their new home, more respondents cited 'property condition' than any other issue (property size and proximity to family were the two most commonly cited 'best aspects' of respondents' new homes). Dissatisfaction with the condition of their new home also emerged as a key theme when respondents were asked to reflect upon their experiences of moving. Tenants reported that problems were exacerbated by the limited responsibility of landlords to conduct repairs on mutually exchanged properties (see chapter 2). Some respondents reported that their new home was 'unmodernised' or of a lower standard than their previous home (for example lacking central heating or double glazing). Some tenants also reported that their new property was in a state of disrepair, problems including faulty plug sockets, fans and heating systems, crumbling plaster, damp, and infestations. Discontent was directed at the landlord and their unwillingness to carry out repairs.

There was also a mixed picture in terms of respondents' satisfaction with their neighbourhood, even amongst those who had sought a move to a particular neighbourhood in order to be nearer family or facilities. One quarter of tenants who had moved (11) reported that the quality of the local neighbourhood was better now than before their move, while one quarter (11) reported that the quality of the local area was worse (the remainder reported no change). Focusing on tenants who had moved to a new neighbourhood, satisfaction levels had generally reduced. Some respondents reported not being familiar with or not fully researching their new neighbourhood before agreeing to an exchange, something they regretted. A small number described suffering harassment and serious anti-social behaviour in their new neighbourhood.

Some tenants reported an increase in the cost of living following their move. Housing related costs - rent, council tax, heating and lighting - were often reported to have increased (Table 3.5). In total, 19 respondents reported that living in their current home was generally more expensive than their previous home (15 reported that it was cheaper).

**Table 3.5 comparing costs of current and previous home**

<b>Cost</b>	<b>Lower cost</b>	<b>Same cost</b>	<b>Higher cost</b>	<b>Don't know</b>
Rent	16	5	22	1
Heating and lighting	9	12	19	4
Council Tax	6	15	8	15
Travel costs	13	24	3	2

n=44

Variations in rent levels, in large part, reflected the fact that many tenants had moved to a larger or smaller property. However, 12 respondents who had moved to a property of the same size did experience a rent increase. The reasons for this are unclear. Other cost

savings that might be assumed to be associated with downsizing were not always apparent. For example, only five of the 13 households downsizing reported a reduction in heating and lighting bills. Few respondents, though, suggested that an increase in the cost of living outweighed the benefits that had accrued as a result of moving house.

Finally, although respondents' mobility stories were typically characterised by an improvement in family circumstances, it was sometimes the case that a move served to address one particular concern but raise others. Returning to the respondent who reported gaining independence by moving to an adapted property where she could wash and bathe herself rather than relying on her husband, her children were reported to have struggled with the move and to be missing their Grandmother who had previously lived next door. Since the move they were seeing her far less frequently. As a result, the couple's childcare costs were reported to have increased.

In summary, three quarters of tenants reported an improvement in their circumstances following a move. Problems were frequently encountered but most reported that the benefits outweighed the costs and they were glad they had moved. Frequently, this trade-off between costs and benefits involved tenants accepting a deterioration in living conditions to secure the benefits of living closer to family or particular services and amenities.

# 4. Promoting Mobility - Outcomes

## 4.1 Introduction

This chapter looks at outcomes and impacts of the mobility demonstration projects (DPs). It assesses the extent of, and relationships between, the inputs (or resources) and the outputs and outcomes achieved. The chapter is split into three sections:

- inputs and resourcing
- activities and outputs
- and outcomes and impacts

The analysis has been informed by, and is consistent with, Government Guidance (the HM Treasury Magenta<sup>10</sup> and Green<sup>11</sup> Books and Value for Money<sup>12</sup> and Additionality Guidance<sup>13</sup>). Evidence to inform the assessment has been drawn from five main sources:

- DCLG administrative data on grant funding
- standard monitoring data collected quarterly from the projects; this covered:
  - numbers of tenants on transfer and mutual exchange waiting lists
  - the characteristics of tenants on transfer and mutual exchange waiting lists; for example were tenants looking to up or down size and what was their main reason for moving
  - numbers of transfers and mutual exchanges taking place
  - information on the transfers and mutual exchanges; for example whether the tenants had up or down sized, their household type and the reason given for moving
- project specific monitoring data: data which the projects had collected for their own administrative and monitoring purposes
- detailed qualitative case study work with the projects; this work included bespoke questions to garner information on impact and value for money

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<sup>10</sup> HM Treasury (2011) The Magenta Book: Guidance for Evaluation. London, TSO.

<sup>11</sup> HM Treasury (2003) The Green Book: Appraisal and Evaluation in Central Government. London, TSO.

<sup>12</sup> HM Treasury (2006) Value for Money Assessment Guidance. London, TSO.

<sup>13</sup> English Partnerships (2008) Additionality Guide - A Standard Approach to Assessing the Additional Impact of Projects, Third Edition.

- and a survey of demonstration project beneficiaries; amongst other issues the survey included questions to assess the additionality of the mobility demonstration projects and the benefits, or cost, which the tenant has experienced since moving.

Before commencing the analysis it is important to acknowledge the following issues and limitations:

- despite considerable efforts on behalf of the projects there are gaps and inconsistencies in the monitoring data provided which limit the amount and reliability of the analysis which is possible. Crucially, this includes information on mutual exchange. These problems reflect the fact landlords are under no requirement to report on mutual exchanges. As a result:
  - some of the projects have not been able to report on the number of mutual exchanges taking place
  - if projects have reported numbers it has often been for a subset of landlords involved in the DP
  - reported numbers have often had health warnings attached, for example, citing that other exchanges may have taken place but which have not been recorded
- there is a lack of national data on numbers or characteristics of mutual exchanges against which to benchmark what has happened in the DPs. Local Authority Housing Statistics returns (previously the Housing Strategy Statistical Appendix (HSSA)) record numbers of mutual exchanges but only in local authority stock. NROSH+ now reports on mutual exchanges in housing associations stock (by organisation), but in 2012/13 only 296 of 1,379 organisations taking part provided data on mutual exchange
- there were some major changes to the housing system during the course of the DP programme, which are likely to have had an impact on the number of mutual exchanges. Most notable is the removal of the spare room subsidy from April 2013, which have prompted some tenants to seek alternative accommodation and landlords across the country to be more proactive in promoting mutual exchange to tenants as a realistic means of achieving a move.
- the impact of DP activities has been assessed over a one year period (2012/13), with change measured against the baseline year of 2011/12. 2011/12 was selected as the baseline year, despite DCLG providing funding to some DPs within that year, because very few projects had gone 'live' and those that had had undertaken few activities that would have impacted on recorded outcomes.

## 4.2 Inputs and resourcing

This section looks at the inputs and resourcing of the DPs. It also summarises work undertaken in the DPs which sought to assess landlord costs associated with a transfer and a mutual exchange. This information is important to understanding the resource related arguments as to why mutual exchange might represent a more preferable approach to promoting mobility for landlords.

### DCLG funding

Table 4.1 presents the amount of funding DCLG provided to each project. Please note the financial year of award is when CLG paid the money to the projects. A number of projects reported an underspend in 2012/13, for example due to lower than expected incentive payments, which DCLG agreed could be carried over into their next financial year: 2013/14.

In total, DCLG provided just under £809,000 to the 12 projects. An additional £100,000 was awarded to House Exchange to provide a mobility helpline to be tested in five project areas (Hertfordshire, Kettering, Leeds, Northampton and Salford). The West London Partnership received the largest allocation of funding (£140,700). Bracknell Forest received the smallest award: £25,000. It has not been possible to quantify additional funding levered in by the DPs. However, as a rule, projects contributed little or no additional matched funds. Where additional resources were provided this was normally in the form of existing senior staff providing uncoded project management or support.

**Table 4.1: Grants awarded to mobility demonstration projects**

	2011/12 £	2012/13 £	Total £
West London	83,000	57,700	140,700
Doncaster	40,000	40,000	80,000
Northampton	40,000	40,000	80,000
Worcestershire	29,500	45,500	75,000
Salford	51,000	21,500	72,500
Kent	55,500	16,000	71,500
Kettering	26,500	44,000	70,500
Devon	65,000	0	65,000
Hertfordshire	23,077	31,694	54,771
Leeds	25,500	14,000	39,500
Northumberland	7,000	27,500	34,500
Bracknell Forest	25,000	0	25,000
<b>Sub total</b>	<b>471,077</b>	<b>337,894</b>	<b>808,971</b>
House Exchange	28,673	71,327	100,000
<b>Total</b>	<b>499,750</b>	<b>409,221</b>	<b>908,971</b>

Source: Communities and Local Government and Mobility Demonstration Projects

## Staffing

As is revealed in Table 4.2, project funding covered 17 employees across the 12 DPs, working the equivalent of 6.8 full time equivalent posts in the year 2012/13. The research team attempted to quantify non project funded staffing. Unfortunately, these estimates proved unreliable. However it was clear that in most instances non-project funded staff provided project management/oversight rather than project delivery.

**Table 4.2: Staffing**

	Project funded		Non-project funded	
	Employees	Annual FTE	Employees	Annual FTE
Doncaster	3	2.5	1	0.2
Leeds	1	1.0		
West London	2	1.0		
Kettering	1	0.8		
Hertfordshire	1	0.5		
Devon	1	0.4		
Salford	2	0.3		
Worcestershire	2	0.3		
Kent	0	0.0		
Northumberland	0	0.0	1	
Bracknell Forest	1			
Northampton	3			
<b>Total</b>	<b>17</b>	<b>6.8</b>		

Source: DP tenders and DP case study work

## Landlord cost of mutual exchange versus transfers

Several projects looked at the landlord cost of mutual exchange compared with a transfer. Mutual exchange was identified as being significantly cheaper, for example:

- one landlord put the cost of a mutual exchange at approximately £300 (the cost of fulfilling the electric and gas check) as opposed to an average void cost associated with a transfer of about £3,000
- another DP that explored comparable costs suggested that the cost of providing access to mutual exchange services combined with providing necessary administration was around £122 per exchange, compared with just over £2,500 for managing a transfer.

However, it was acknowledged that these costs do not capture the complete picture. DPs recommended that further work was needed to understand and capture differences over the longer term. This work was beyond the scope of this evaluation. This includes staff resources required to support the exchange process, incentives paid to tenants and works

carried out on mutual exchange properties either to incentivise the move or once the landlord exemption period elapsed.

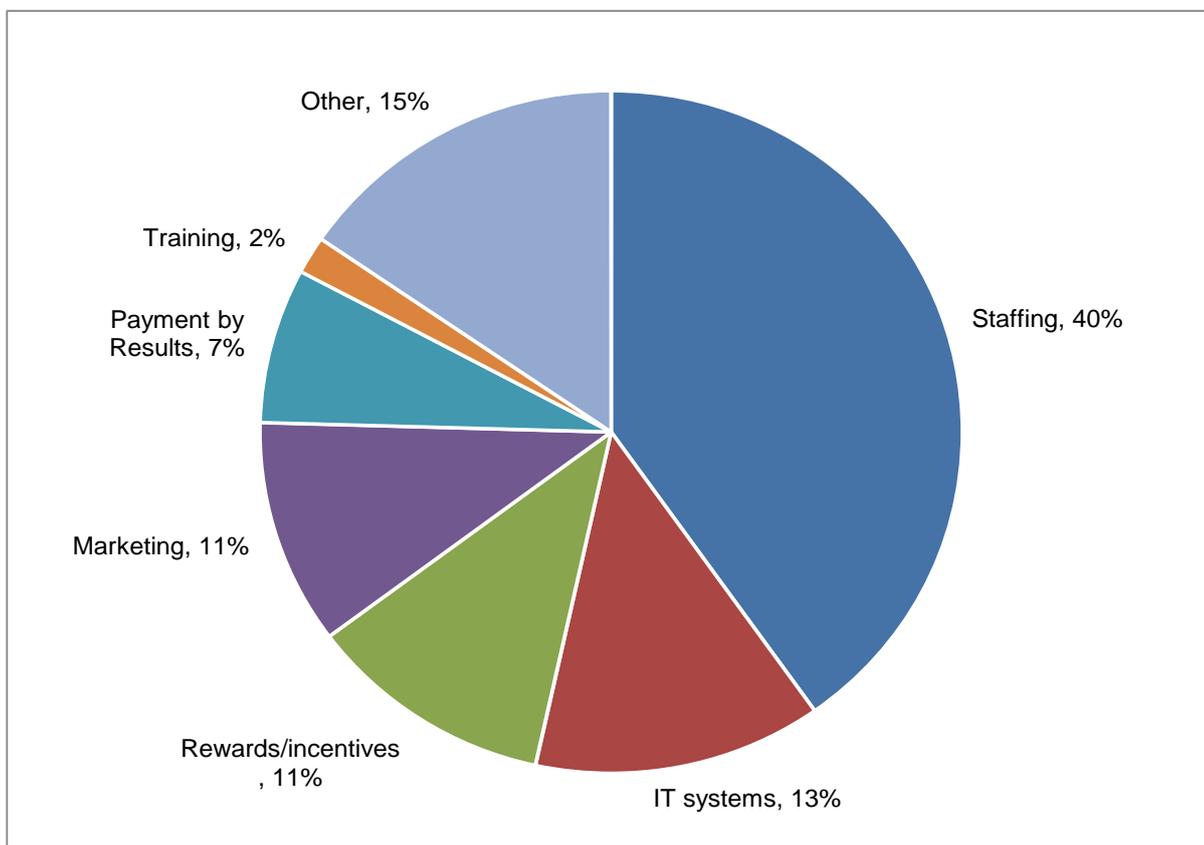
### 4.3 Activities and outputs

This section assesses the activities and outputs of the DPs. It explores what the DPs spent their grant funding on, before going on to consider the cost efficiency of these activities.

#### Expenditure by category of activity

Figure 4.1 presents expenditure across the DPs broken down by broad category of activity (fuller descriptions of activities are provided in Table 1.3). Please note this is based on evidence from the 10 DPs that were able to provide data. It is based on a combination of actual and projected spend.

**Figure 4.1: Expenditure broken down by activity; total expenditure 2011/12-2012/13**



Source: DP tenders and DP case study work

The largest category of expenditure was staffing: forty per cent. Staffing commonly covered funding officers to promote and encourage tenants to take up mutual exchange and to broker and support tenants through the process. The DPs spending most on staffing were the West London Partnership, Doncaster and Kettering.

Of the remaining expenditure:

- 13 per cent was spent on IT systems, which included the Kent project's expenditure setting up its digital television channel
- 11 per cent was spent on incentives to encourage tenants to move
- 11 per cent was spent on marketing activities to promote mutual exchange
- seven per cent was spent on activities linked to payment by results, such as setting up agreements
- two per cent was spent on training staff to promote, and support tenants through, mutual exchange.

### **Cost efficiency**

This sub-section looks, where possible, at the cost efficiency of the DP activities. This relates inputs to outputs by presenting average or unit cost per outputs.

Due to the limitation in the data and a lack of comparability of activities across the 12 DPs it has only been possible to present cost efficiency rates of two activities:

- if it is assumed staffing covered one and a half years then the cost average cost per full time equivalent employee was just under £27,000; this rate falls between senior officers grade one and two (or just below the bottom end of the principal officer grade 1 pay band) on the 2012/13 local government pay scale
- the average spend on IT systems, including setting up digital television, was £18,000; please note actual amounts spent by projects varied considerably by the nature of improvements or services being provided.

## **4.4 Outcomes**

This section looks at key mobility outcomes recorded by the DPs and the impact of mobility on tenants and other stakeholders. The section is split into three sub sections: mobility list registrations; lettings; and impacts and benefits from moving.

### **Mobility list registrations**

This sub-section presents change in the number of tenants registered on mutual exchange and transfer lists in the project areas. In both instances the data has been garnered from standard data monitoring returns. Change has been assessed over a one year period: the number registered at the end of the year 2012/13 against the baseline position which was the number registered at the end of the year 2011/12.

Mutual exchange list registrations are viewed as a measure of importance of mutual exchange as a method of residential mobility. Evidence also suggests that as lists become longer, the likelihood of tenants finding a match increases and hence forth more lettings occur: mobility increases in the area.

Before presenting the data it is important to be aware of a health warning that may affect interpretation. Waiting list providers may clean their list from time to time or operate fixed periods after which re-registration is required. Both of these actions are in place to improve the experience for those seeking a match. However, a consequence for the evaluation is that it may not prevent a fair comparison over time, across projects or even landlords within the same project area.

Table 4.3 shows the number of tenants registered for a mutual exchange at the end of the baseline year (2011/12) and at the end of the first year in which the DPs were providing funded activities to promote mobility (2012/13). The six DPs listed provided information for these two dates. Across these six DPs, registrations increased by 33 per cent. The largest percentage increase was in Doncaster where the number registered more than tripled. Salford and West London also reported more than a doubling of registered tenants. Kent was the only area of the six to report a decrease, though this may have been due to issues raised in the preceding paragraph.

**Table 4.3: Tenants registered for a mutual exchange; end 2011/12 and 2012/13**

	Number		Change	
	Baseline	Post	Number	Percentage
Doncaster	281	1,004	723	257
Salford	572	1,414	842	147
West London	4,762	11,137	6,375	134
Northumberland	951	1,189	238	25
Kettering	213	223	10	5
Kent	7,922	4,530	-3,392	-43
<b>Total</b>	<b>14,701</b>	<b>19,497</b>	<b>4,796</b>	<b>33</b>

Source: DP standard monitoring data

It is difficult to spot any clear patterns indicative of a cause and effect link between the activities of the six DPs and trends in the number of tenants registered for a mutual exchange, but the following associations are apparent:

- Doncaster and West London Partnership, which reported some of the largest increases, employed officers to promote mutual exchange
- Salford had a number of activities which may have contributed to their increase:
  - they ran a number of speed dating events to boost both matches and awareness
  - they trained staff to promote mutual exchange when dealing with tenants who may be interested in a move
  - and they had a payment by results component with a mutual exchange website provider which rewarded based on website registrations.

- Northumberland also tested a payment by results model; this project rewarded the provider based on mutual exchange lettings; whilst the actions of the website provider may have led to the increased registrations, so too may the actions of number of the partner landlords to contact tenants on their transfer lists informing them to join the mutual exchange list to increase their chance of moving.

An obvious caveat to be borne in mind when considering links between DP activities and tenant interest in mutual exchange is the importance of externalities, including welfare reforms and reforms to local authority policy on transfers (see Chapter 3).

Table 4.4 shows the number of current social housing tenants registered on a transfer list in eight DPs. Across the eight DPs providing data the number registered decreased by 2 per cent. Five of the eight projects reported a fall in their transfer list, with Kettering (22 per cent) and Kent (18 per cent) reporting the largest reductions. It is not possible to determine whether some or all of this reduction is related to DP efforts to promote mutual exchange.

**Table 4.4: Tenants registered on transfer list; end 2011/12 and 2012/13**

	Number		Change	
	2011/12	2012/13	Number	Percentage
Salford	9,928	10,758	830	8
Leeds	8,037	8,694	657	8
West London	17,473	18,279	806	5
Northumberland	3,654	3,417	-237	-6
Devon	38,099	35,436	-2,663	-7
Doncaster	1,753	1,589	-164	-9
Kent	6,787	5,579	-1,208	-18
Kettering	740	580	-160	-22
<b>Total</b>	<b>86,471</b>	<b>84,332</b>	<b>-2,139</b>	<b>-2</b>

Source: DP standard monitoring data

As an additional point it is perhaps interesting to note; where comparison is possible, registrations for transfers exceed registrations for mutual exchange at the end of the project. This would suggest there is the potential for mutual exchange registrations to increase further.

## Lettings

This sub-section presents change in the number lettings by mutual exchange and transfer in the project areas. Data on mutual exchanges has been collected from standard data monitoring returns whilst data on transfers has come from CORE data (COntinuous REcordings). When reading this section it is important to keep in mind the limitations concerning the data outlined in the introduction to this chapter.

Monitoring data shows that mutual exchanges increased by 28 per cent, from 2,316 in 2011/12 to 2,964 in 2012/13 across the seven DPs providing data (Table 4.5). The largest percentage increases were in Kettering (113 per cent) and Doncaster (72 per cent).

As with registrations above, attempting to link project actions to impact is difficult. However, it is interesting to note that the two projects which reported the largest percentage increases (Kettering and Doncaster) undertook similar activities: they employed officers to promote and assist mutual exchanges to take place.

The increase in mutual exchange lettings in Northumberland is also interesting because they tested a payment by results model. At first glance the results would seem positive. However, it is important to contextualise these results with reference to three project specific factors:

- being part of the project led to an increased awareness and promotion of mutual exchange amongst the main housing organisations in Northumberland
- in a separate exercise, a number of organisations taking part in the DP contacted all tenants on their transfer list and suggested that they register for a mutual exchange
- it is possible that the baseline number of mutual exchanges under counts the number of exchanges taking place; the move to a payment by results model prompted accurate measurement and reporting of the number of mutual exchanges.

It is unfortunate that currently no comprehensive national data on mutual exchange is available to provide a comparison and assist measurement of net additional impact. It would, for example, have been beneficial to have known the trajectory of mutual exchange lettings over the same period in non-DP areas.

One potential source of information about the additionality provided by the DPs in contributing to the reported increase in the numbers of mutual exchanges is the survey of tenants discussed in chapter 3. This survey was principally undertaken to garner customer opinion on the mutual exchange process. However bespoke additionality questions were also included to provide understanding of the contribution of DP activities to their move and the benefits, or costs, they had experience since moving. There are limitations to this data, including:

- the sample is not a random selection of all movers: it was a sample of project beneficiaries provided by the projects
- the sample size was small: 44 tenants who had moved
- the sample was not evenly spread across the DPs
- perception of additionality came from the tenant self-reporting and interviewer's (evaluator) judgement

- the tenant often found it hard to differentiate against other actions already in existence; most landlords were already making some efforts to promote mobility and had existing mutual exchange schemes in place.

However, the data did cast some light on this issue. A key finding is that the activities of the DP were one amongst a number of factors facilitating a move. These included help and support from family and friends, which was commonly reported to have been key, alongside the incentive provided by the removal of the spare room subsidy.

**Table 4.5: Numbers of mutual exchanges; 2011/12 and 2012/13**

	Number		Change	
	2011/12	2012/13	Number	Percentage
Kettering	39	83	44	113
Doncaster	113	194	81	72
Northumberland	70	113	43	61
Salford	72	110	38	53
Kent	1,341	1,645	304	23
Hertfordshire	248	301	53	21
Leeds	433	518	85	20
<b>Total</b>	<b>2,316</b>	<b>2,964</b>	<b>648</b>	<b>28</b>

Source: DP standard monitoring data

The number of transfers taking place in the years 2011 and 2012 are shown in Table 4.6. This data has been collated from CORE due to issues of reliability and comparability of the monitoring data on transfers provided by the DPs. The data shows a decrease in transfers across the 12 DP areas by 25 per cent. Nine of 12 DPs reported a decrease with Leeds, Bracknell Forest and West London reporting the biggest falls. The picture nationally was similar: transfers across England were 17 per cent lower in 2012 compared with 2011. However, it appears that the fall within the DP areas was larger. Whilst it is not possible to attribute this difference to DP activities, it may indicate a small level of displacement.

**Table 4.6: Numbers of transfers; 2011 and 2012**

	Number		Change	
	2011	2012	Number	Percentage
Northampton	343	554	211	62
Kettering	207	215	8	4
Doncaster	732	739	7	1
Devon	1,135	990	-145	-13
Worcestershire	1,318	1,134	-184	-14
Northumberland	835	718	-117	-14
Salford	1,298	1,024	-274	-21
Kent	2,790	2,079	-711	-25
Hertfordshire	2,260	1,641	-619	-27
West London	3,139	2,172	-967	-31
Bracknell Forest	256	176	-80	-31
Leeds	2,820	1,460	-1,360	-48
<b>MDP</b>	<b>17,133</b>	<b>12,902</b>	<b>-4,231</b>	<b>-25</b>
MDP excl Leeds	14,313	11,442	-2,871	-20
<b>ENGLAND</b>	<b>125,277</b>	<b>104,427</b>	<b>-20,850</b>	<b>-17</b>

Source: CORE

## Benefits from moving

This final sub-section looks at the benefits to tenants and other stakeholders from mutual exchange. Some of the DPs were charged with assessing the issue of 'who gains' from increased mobility. It proved very difficult to identify and measure the improvements for tenants and stakeholders and even harder to isolate and quantify cost savings.

Before moving on to discuss the evidence it should be noted that we have purposely not attempted to estimate expected financial gains owing to the activities of the demonstration projects in increasing mobility. This is due to:

- the monitoring data not allowing reliable measurement of net additional impacts from demonstration project activities
- a dearth of reliable evidence on the benefits and costs which demonstration project tenants experienced from moving; for example it was not possible to say X households moved from over occupying their accommodation and received a health benefit and Y reported improved educational attainment.

As is outlined in Chapter 3, the reasons identified for wanting to move indicate an important point: *not moving* was potentially detrimental for many. It was therefore encouraging to note that all but two survey respondents reported that their new home had met their reasons for wanting to move. More than half of respondents attributed improvements to their mental health and well-being to their move, with 12 also making a link to improved physical health. There are potential cost savings associated with these outcomes, particularly for social and health care providers. Several respondents, for

example, were previously in need of medical intervention that they had since dispensed with or were less reliant on due to improved health. Others were able to provide (or receive) care that was previously the responsibility of formal services.

A key reason cited by many for wanting to move was over crowding or under occupation. Twenty two of 44 respondents who took part in the survey had either upsized (nine) or downsized (13). As well as supporting more effective use of social housing stock, these moves are likely to have resulted in important benefits for tenants. Evidence of the 'costs' of living in overcrowded accommodation on, for example, health and education outcomes, is well established (see for example ODPM, 2004<sup>14</sup>). A report by the Human City Initiative (2010<sup>15</sup>) looked at the economic and social impact of reduced mobility in social housing and attempted to put monetary values on costs to bodies such as the NHS and the Criminal Justice System (CJS). This report estimated the cost of living in over occupied accommodation to be:

- £172 per dwelling to the NHS
- and £124 per dwelling to the CJS.

Downsizing to a smaller property may also bring benefits. For instance:

- beneficiary interviews respondents reported health gains from being better able to manage their home
- tenants may gain from cost saving as a result of downsizing, such as lower council tax and energy bills; however, evidence from the tenant survey suggests that these were not always clear cut
- downsizers of working age and in receipt of housing benefit will be better off financially as a result of moving to a smaller property, if they would have otherwise been subject to the removal of the spare room subsidy introduced in April 2013; a DWP impact report<sup>16</sup> suggested this may be worth on average £14 per week in 2013/14 to a household which had one spare room

Other potential impacts of note include:

- moving to work opportunities or near family members able to offer regular childcare providing respondents with an opportunity to work; the Human City Initiative

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<sup>14</sup> ODPM (2004) The Impact of Overcrowding on Health and Education: A Review of Evidence, Office of the Deputy Prime Minister: London <http://dera.ioe.ac.uk/5073/1/138631.pdf>

<sup>15</sup> Kevin Gulliver (2010) Counting Costs: The Economic and Social Impact Reducing Mobility in Social Housing, Human City Initiative: Birmingham

<sup>16</sup> DWP (2012) Housing Benefit: under occupation of social housing, Department for Work and Pensions Impact Assessment updated June 2012 <http://www.dwp.gov.uk/docs/social-sector-housing-under-occupation-wr2011-ia.pdf>

(2010<sup>17</sup>) calculated that the exchequer may gain just under £7,000 per tenant able to take up employment from reduced benefit payments and increased tax revenues

- moving to either care for, or be look after by, a friend or relative may reduce demands on social care services; the Human City Initiative (2010<sup>18</sup>) reported Career UK estimates that the average care saves the nation on average £15,260 each year
- moving to more appropriate accommodation may reduce the need for housing adaptations; as part of their DPs:
  - Kettering identified 10 mutual exchanges which meant adaptations were no longer needed, saving the council an estimated £44,500 (an average of £4,450 per dwelling)
  - Salford recorded a three way mutual exchange reported to save in region of £10,000 in disabled facilities grants which the council would otherwise have to burden.

## 4.5 Summarising outcomes and value for money

This chapter presents measures and issues of outcomes and value for money of the mobility demonstration projects. Key points to note include:

- DCLG gave just under £809,000 in grant funding to 12 DPs to test 'what works in' and 'who benefits from' increasing mobility in the social housing sector; an additional £100,000 was also given to House Exchange to provide a mobility helpline
- the largest expenditure category was staffing (40 per cent) which typically covers employing officers to promote and support mutual exchange; new or improved IT systems (14 per cent), rewards and incentives (11 per cent) and marketing activities (11 per cent) also accounted for substantial activities of projects.
- there was an increase in registrations for mutual exchanges and in the number of mutual exchanges taking place, although it is not possible to directly attribute this increase to the activities of the DPs
- evidence suggests that employing housing officers to promote and support mutual exchange has led to the largest increases in mobility

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<sup>17</sup> Kevin Gulliver (2010) Counting Costs: The Economic and Social Impact Reducing Mobility in Social Housing, Human City Initiative: Birmingham

<sup>18</sup> Kevin Gulliver (2010) Counting Costs: The Economic and Social Impact Reducing Mobility in Social Housing, Human City Initiative: Birmingham

- identifying potential *impact* that increased mobility may bring requires local authorities and landlords to systematically collect more robust information on inputs, outputs and outcomes from mutual exchange

