

# MINUTES OF MEETING CABINET MEMBER SIGNING HELD ON TUESDAY, 9TH MAY 2023, 11:00AM – 11:15AM

**PRESENT:** Councillor Dana Carlin, Cabinet Member for Housing Services, Private Renters and Planning

**In attendance:** Denise Gandy, Assistant Director, Housing Demand and Fiona Rae, Principal Committee Co-Ordinator

## 1. APOLOGIES FOR ABSENCE

There were no apologies.

## 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

## 3. CAPITAL LETTERS MEMBERSHIP

Capital Letters (London) Limited was created on 17 December 2018 with the aim of removing competition and duplication between individual London boroughs when sourcing private sector properties to meet housing need.

In October 2018, Cabinet agreed that Haringey would join Capital Letters in the first tranche of boroughs, and we formally transferred our function for sourcing private sector lets on 14 October 2019.

In joining Capital Letters, Haringey entered into a tranche of agreements with Capital Letters and participating boroughs, including a Members' Agreement, a Service Level Agreement, and a Secondment Agreement.

The report described the Council's experience as members of Capital Letters, the advantages, and disadvantages of membership along with recommendations on our future membership.

The Cabinet Member asked how long it would take for the Council's officers, seconded to Capital Letters, to return to Haringey. She was informed that they would return on 10 May 2023.

### **The Cabinet Member for Cabinet Member for Housing Services, Private Renters, and Planning RESOLVED**

1. That the Council should cease membership of Capital Letters as soon as is practicable; and for this purpose, to delegate authority to the Assistant Director for Housing Demand.
2. If required, to serve notice pursuant to the Members' Agreement to this effect.
3. To agree with Capital Letters and/or the participating boroughs terms for earlier departure in consultation with the Member and Director of Finance

4. To end the secondment arrangements for the employees and resume the sourcing of private sector lets within the Housing Demand Service in the Council.
5. To ensure a smooth transition of service delivery from Capital Letters.

### **Reasons for decision**

The principle behind Capital Letters was a good one and boroughs working collaboratively to source private sector accommodation was an approach that the Council was keen to support. It had been hoped that by working together, the Council would be able to influence the market, secure more local lets and avoid the need for increased incentives.

However, the reality has proven difficult to achieve. Haringey committed to the approach – seconding (pursuant to the Secondment Agreement) in 3 experienced members of staff, putting all of our private sector activity through Capital Letters, adhering to agreed incentives and making changes internally that supported the delivery of Capital Letters lets. However, few boroughs showed the same commitment and most kept their options open by working with Capital Letters while retaining some of their own staff and sometimes paying higher incentives. As a result, Capital Letters had not been able to influence the market in the way that was hoped.

The level of lets achieved by Capital Letters had never exceeded what the Council would have expected to deliver with the same staff in-house. There were also some opportunities in moving back to local control and being able to react to the challenges in the local market.

In a challenging market, it was very important to show flexibility and act nimbly when trying to secure lets. As Capital Letters must obtain agreement on incentives from all 19 boroughs, for example, they cannot act nimbly. In agreeing to abide by a set incentive, the Council also lost flexibility in negotiations and the ability to tweak incentive rates to meet the local need. In keeping to the agreed approach, the Council had seen itself outbid on properties.

As staff were seconded, the Council was unable to apply any flexibility in the way they were deployed. If the staff had remained, given the Council's current pressures, the Council was likely to have deployed at least one of them to assist with the procurement of temporary accommodation, rather than continuing to focus all three on private sector lets in such a challenging market.

The priorities set out in the Capital Letters Corporate Plan (see section 6.8) no longer align with the Councils objectives namely;

- The delivery target was below the Council's requirement and the level of resources and management fee required to deliver the target lets were difficult to justify.
- The transfer of private sector leased accommodation to Capital Letters would not be an approach the Council would adopt as it already manage leased accommodation through Homes for Haringey.
- The benefits of the development of landlord services were unclear at this stage.

### **Alternative options considered**

Do nothing and remain as a member of Capital Letters on an on-going basis.

Defer the decision and consider whether to leave Capital Letters at the end of March 2024 or March 2025 when the final tranche of DLUHC funding ends.

Cabinet Member: Cllr Dana Carlin

Signed by Cabinet Member .....

Date .....10/5/2023.....