

Housing Allocations & Choice Based Lettings Update

Background

1. The current housing allocations process is a 'Choice Based Lettings' system whereby properties are advertised and applicants can 'bid' for a property, the successful bidder is the one with the highest priority based on banding (Emergency, Gold, Silver & Bronze) and the length of time someone has had the priority banding.
2. The criteria that places an applicant into a specific band is determined by the North Yorkshire Homes Choice (NYHC) allocations policy. The current policy is a joint one with the majority of other local authorities and housing associations in North Yorkshire. It was introduced a number of years ago and creates a common policy which is easier for applicants to understand, i.e. if you are eligible for a 3 bedroom house in one local authority area you are eligible for the same in another. The policy also has a common application form which significantly reduces paperwork and subsequent administration. Applicants can move homes between local authority areas, however to ensure no one area is disproportionately affected by cross boundary movement there is cap on net inward migration.
3. However, despite the efficiencies that this system has delivered, over time it has become clear that customer satisfaction has reduced, and increased demand and 'bidding' for properties can and has led to poor customer outcomes. The 'process' does not effectively enable staff to take account of the often complex needs of applicants and as a result a significant proportion of the demand on staff time is failure demand.

The Current Position

4. NYHC is a process driven system and therefore generates a lot of work associated with checking, chasing up, validating, and updating to keep accurate records. Work is split into functions for greater efficiency though this can at times lead to a fragmented service response and impediment to work flow.
5. The system can generate significant failure demand. Dealing with failure demand pulls resources away from delivering customer value. Key sources of failure demand include customer's requesting an update on their application (28%), misdirected calls (27%) and people having problems logging into the online system (26%).
6. Almost a quarter (24%) of households on the register have never made a bid for housing despite significant resources employed to check, chase up and verify all applications.
7. In 2015 the Housing Service started a review of the existing process as part of its ongoing commitment to service improvement and to see if the current process was meeting the needs of its customers. Key sources of evidence included customer and staff feedback, system inputs and outputs, process mapping and an analysis of customer demand. The purpose of the system from a customer perspective was defined as *'Help me find a suitable home when I need it'*.
8. Analysis shows the housing register has a tendency to grow over time, there are currently 1,500 York households on the register and over 220 new applications each month. On average around 500-600 properties become available in York each year.
9. Only 33% of customer demand is being met. Over 30% of registered households have little or no housing need and are in Bronze band. Only 6% of properties are let to Bronze band households each year.
10. The 555 properties available in 2014-15 generated over 32,000 bids, averaging 58 bids per property. Popular properties can generate in excess of 115 bids.

The review

11. The review has three key aims:
 - Ensure the best possible outcomes for customers;
 - Improve job satisfaction;
 - Ensure the most efficient processes.
12. Options for improvement include changes within the existing system or complete system change. Many areas for improvement within the current system have already been identified and further opportunities for improvement will be also considered as the review progresses. Opportunities for system change also need to be explored, drawing on learning from other areas that have already moved away from a choice based lettings approach.
13. A common feature of these alternative approaches is the significant resource placed at the front end of their system to better mediate customer demand. There is often a strong focus on understanding the customer's underlying needs at an early stage, receiving complete and correct information on first contact and being relentlessly clear with applicants about their chances of being offered a home.
14. Proposals for a redesigned system have emerged out of several workshops. Key features include a 'talk to the customer' step within a strengthened yet more flexible customer interface, tighter criteria to reduce system waste and a move away from bidding to direct matching. Key benefits of this redesigned system include:
 - Improved customer outcomes via a better balance between the number and type of households going onto the register and the number and type of properties available;
 - More efficient and flexible processes;
 - More empowered staff.

Key system inputs and outputs

Fig. 1 Number of households on housing register

Date	York	Sub region
04/07/2013*	4777	14661
02/10/2013**	1269	11850

01/07/2014***	1207	5791
01/10/2014	1348	6327
02/04/2015	1546	7086

* Pre policy update following Localism Act

** Post policy go live and initial closures of non qualifying

*** Post policy closure of all non responding applicants

Fig. 2. Number of households applying

2014/15	York	Sub region
Average per month	226	845
Total for year	2711	10134

Fig.3. Rate of vacant properties (York)

2014/15	York	Turnover rate
Average per month	40	
Total for year	480	6%

Fig. 4. Proportion of households in each priority band – York 2014-15

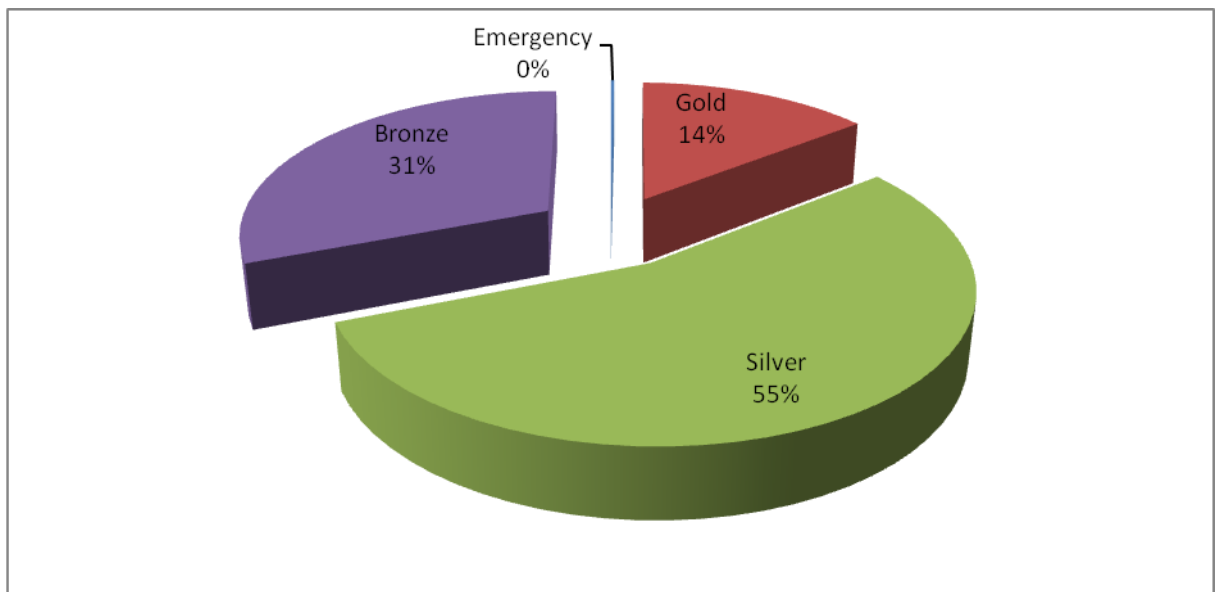


Fig. 5. Who did the 480 available properties go to in 2014/15?

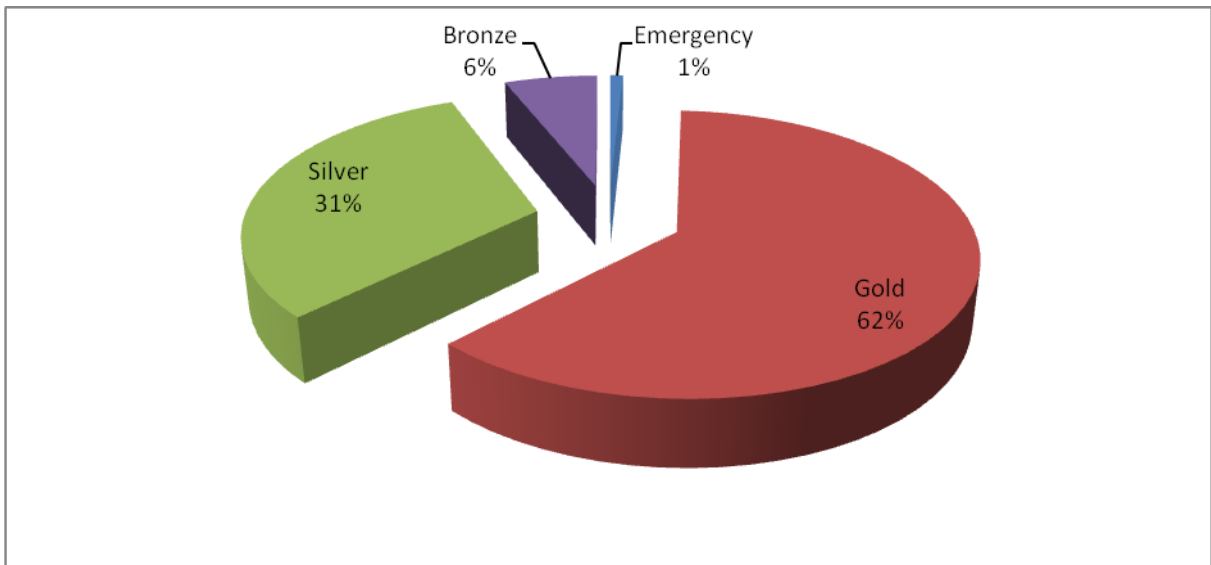
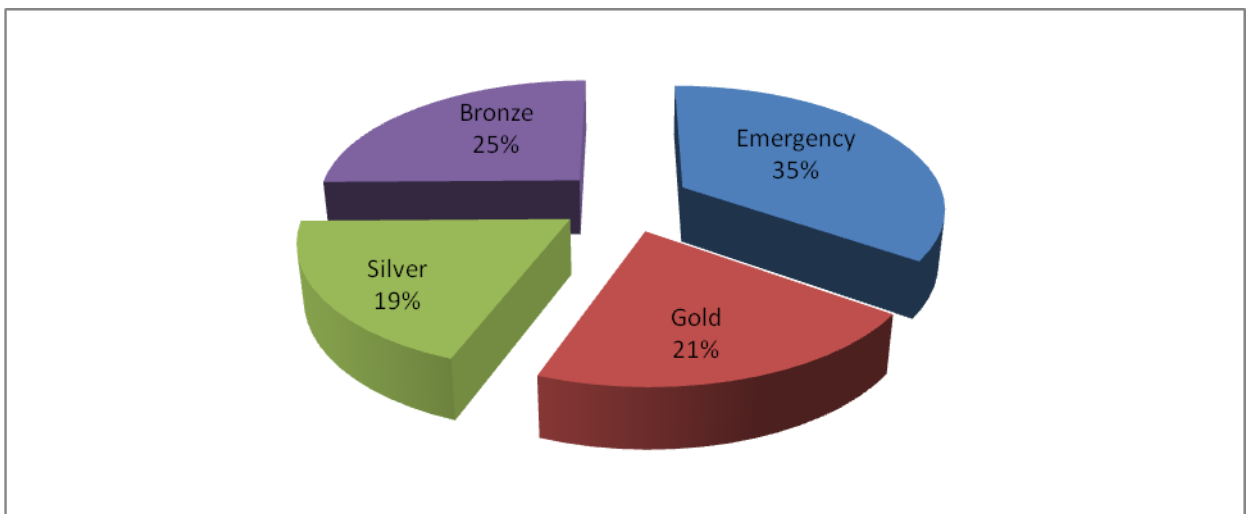


Fig 6. Proportion of non bidders by band



Customer & Staff Feedback

15. Customer insight has shown that applicants welcome the increased choice offered by the current scheme and that many, especially those who were successfully housed found the allocations system easy to understand and thought it was fair. However, a significant proportion find the notion of choice is only meaningful when it results in an outcome. For many, being on the housing register means many months/years of repeat bidding with little hope of success.

16. For some, making a housing application is a form of 'insurance policy' for a rainy day. The current system is complicit in this and does not sufficiently deflect service demands of this type. In its current form it could be argued that the NYHC raises expectations unrealistically and leads to an even longer housing waiting list.
17. Staff insight revealed concerns about rising workloads linked to a growing housing register and the need to keep the records of around 1500 applicants up to date, even though the majority of those processed will never receive a housing offer.
18. Staff expressed great satisfaction at helping those in genuine need and clearly some system for assessing housing needs and ensuring eligibility is unavoidable. Staff have a detailed knowledge of the systems strengths and weakness and have contributed to suggested improvements.

Conclusion

19. The review has so far considered the two essential first steps towards delivering the objectives set out in Para 12, to define the purpose of the system from a customer perspective and to develop a detailed understanding of how the current system works and what it delivers. Only then can staff know what aspects of the system to work on to best deliver customer value.
20. To ensure the best possible outcomes for customers via the most efficient processes with improved staff satisfaction the service is developing options to improve the processes employed based on the following operating principles:
 - Seek to fully understand the customer's needs at the beginning of the process;
 - Resolve the customers needs at the earliest opportunity;
 - Receive complete and correct information at first contact with the customer;
 - Be clear to customers about what the system can and can't deliver;
 - Be clear to customers about the likelihood of being offered a home;
 - Have up to date and detailed information about our properties

21. Members of the Policy & Scrutiny Committee could, if they wish, be part of the next phase of the review to help inform and shape any new policy / process.

Options

22. The Committee may choose to participate in the next phase of the review to help inform and shape any new policy/process.

Council Plan 2015-19

23. A review of the Council's Housing Allocations process would support the Council's priorities to focus on frontline services and listen to residents.

Implications & Risk Management

24. There are no implications or risks associated with the recommendation in this report. If the Committee were to decide to proceed with Housing allocations policy development scrutiny review, all associated implications and risks would be identified in the review final report.

Recommendations

25. Members are asked to:
 - i. Note the findings from the officer review to date
 - ii. Consider whether to participate in the next phase of the review to help inform and shape any new policy/process.
 - iii. If participation in the next phase is agreed, programme the review into the committee workplan.

Reason: To proceed with the work of scrutiny in line with scrutiny procedures and protocols

Contact Details

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Chief Officer Responsible for the report:

Report Approved



Date

15 March 2016

Specialist Implications Officer(s) N/A

Wards Affected:

All



For further information please contact the author of the report

Background Papers: N/A

Annexes - None

Abbreviations:

NYHC - North Yorkshire Homes Choice