City of York Council

Choice based lettings Systems Thinking review

Phase 1 ('Check') report

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Executive summary

In early 2015 York housing managers commissioned a review of North Yorkshire Home Choice (NYHC) as part of their commitment to continuous service improvement. NYHC is a choice based lettings system that City of York Council and ten other social housing providers across North Yorkshire use to allocate properties. York is an area of high housing need with a significant mismatch between housing demand and supply.

The review focused on NYHC systems and processes rather than the workings of the sub-regional partnership and allocations policy. The review employed a 'check, plan, do' methodology taking a systems thinking approach involving front line staff and service managers administering NYHC on a daily basis.

The Housing registrations team consists of a service manager and eight operational staff. The team is split between housing registrations assistants and registrations advisors and there is a part-time CBL coordinator working on behalf of the wider partnership.

During Phase 1 of the review staff developed a detailed understanding of current processes and system capabilities. 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'.*

Analysis shows the housing register has a tendency to grow over time, increasing staff workloads. There are currently 1,500 York households on the register and over 220 new applications each month. Around 555 properties become available in York each year.

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.

The average length of time to house someone in Emergency band is 90 days, in Gold band 275 days, in Silver band 570 days and in Bronze band 750 days (over 2 years). Almost 60% of customers have been on the register for over one year and 4% (67) have been on the register for over 6 years.

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.

A 'digital by default' approach means online applications are unmediated by customer contact and a significant proportion (98%) of incomplete applications are submitted. All applications are turned into demand for housing and there is no step in the system called 'talk to customer'.

NYHC is a process driven system generating lots of checking, assessing, chasing up, validating, and updating to keep accurate records. Work is split into functions for greater efficiency though this can often lead to a fragmented service response and impediment to work flow.

The system generates significant failure demand. An analysis of customer contacts via the telephone and drop-in service found 55% of customer demand was of this type. Rates of failure demand differ by customer contact point e.g. 65% of incoming telephone calls consist of 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%).

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. Around 40% of those in Emergency band (assessed as the very highest housing need) and 24% of those in Gold band have never made a bid. Only 71% of those in Bronze band are actively bidding.

Of the 2,711 new applications onto the register in 2014/15, 1,486 we subsequently closed (by Nov 2015). Of these, 625 households were in Bronze band and 590 of these (95%) never made a bid. The cost of processing these 625 applications is estimated at over £16,250.

The average number of refusals each year is 202. This translates into 1010 lost void days per annum, incurring additional void costs of £18,500 per annum (or almost £75,000 over a four year period)[1].

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[1] Assuming average of 5 lost void days per refusal and factors in lost rental income (at average social rent for area plus additional staff costs per refusal)

In broad terms current operating principles could be characterised as follows:

- We turn all applications into a demand for housing even when they may not be
- We encourage applications and let in 'unclean' applications (incomplete, with errors)
- We prioritise applicants and band them
- We give applicants choice in bidding for homes
- We split work into functions for greater efficiency

To ensure the best possible outcomes for customers via the most efficient processes with improved staff satisfaction it is suggested the service works towards the following operating principles:

- Seek to fully understand the customer's needs (their underlying nominal value) to better mediate customer demand
- Seek to 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
- Have up to date and detailed information about our properties

To help deliver these principles two broad areas of improvement work are suggested:

- More effective management of customer demand *coming into* the system
- More effective management of customer demand *within* the system

Many areas for improvement within the current system have already been identified during phase 1 ('Check') and these should go some way to reducing failure demand within the system whilst shifting focus towards value work. Further opportunities for improvement will be considered as part of Phase 2 ('Plan').

Opportunities for wider system change will also be explored, drawing on learning from other areas that have already moved away from a choice based lettings approach.

1. Background

CBL was pioneered in the Netherlands in the early 1990's. The UK government was impressed by the idea of giving people more choice in the housing allocations process and set a requirement for all local authorities to have a CBL scheme in place by December 2010.

Government research at the time found that CBL led to improved tenancy sustainment and tenant satisfaction and encouraged applicants to think more flexibly about their housing choices.

York introduced a choice based letting scheme in July 2011. This took the form of a sub-regional approach called North Yorkshire Home Choice (NYHC) involving landlords from across York and North Yorkshire.

Prospective applicants for housing must sign up to the local housing register detailing their circumstances. Eligible applicants are grouped within bands that reflect their assessed housing need. Those with the greatest need are placed in the in the top 'Gold' band with lower needs placed in 'Silver' and 'Bronze' bands respectively.

Applicants must look for advertised properties and apply or 'bid' for properties they are interested in. Applicants can only bid on properties matched to their assessed needs. In the event that several households from the same band apply for the same property, a short list is created based on a cascading set of 'tie break' criteria including length of time on the housing register.

The scheme includes a method for showing which properties are allocated and the band and registration date of the successful applicant to help others assess their chances when applying for similar properties.

The stated vision and purpose of NYHC is to *'provide increased choice in housing to residents in North Yorkshire and help to create sustainable, mixed communities where people choose to live'*.

The Allocations Policy governing the operation of NYHC states '*the partnership will achieve this vision by working together to provide a comprehensive housing advice service covering a whole range of housing options across North Yorkshire'.*

It says the shared aims and objectives of the policy include *'making the process simple, transparent, fair and easy to use'* and to *'provide information about the availability of homes to enable applicants to make realistic and informed choices about their housing options'.*

The Housing Act 1996 governs the allocation of social housing and is a statutory function setting out to allocate homes based on need giving reasonable preference to particular groups such as overcrowded households, homeless households and households with medical needs.

2. Local context

York is an area of high housing demand and constrained new housing supply. A consequence is house prices and rents that are beyond the means of those on even average incomes. Poor housing affordability increases demand for affordable housing, such as that provided by the council and registered social landlords (RSLs).

There are around 12,000 social rented homes in the city of York with the largest proportion of these (7,950) owned and managed by City of York Council. Around 555 properties within the council's housing stock become vacant each year, sufficient to meet the needs of only a small proportion those on the housing register.

In 2014-15 there were 1,500 York households on the housing register. Of these, 215 (14%) were in Gold Band, 825 (55%) in Silver and 470 (31%) in Bronze. There are around 2,700 new (York based) applications to the register each year, far outstripping available supply.

There are currently nine staff working within the housing registrations team. There is a close working relationship between Housing Registrations and Housing Options teams.

The annual staff cost of the housing registrations service is circa £221,546 and the Housing Options services circa £325,596. Combined annual staff costs are circa £547,553.

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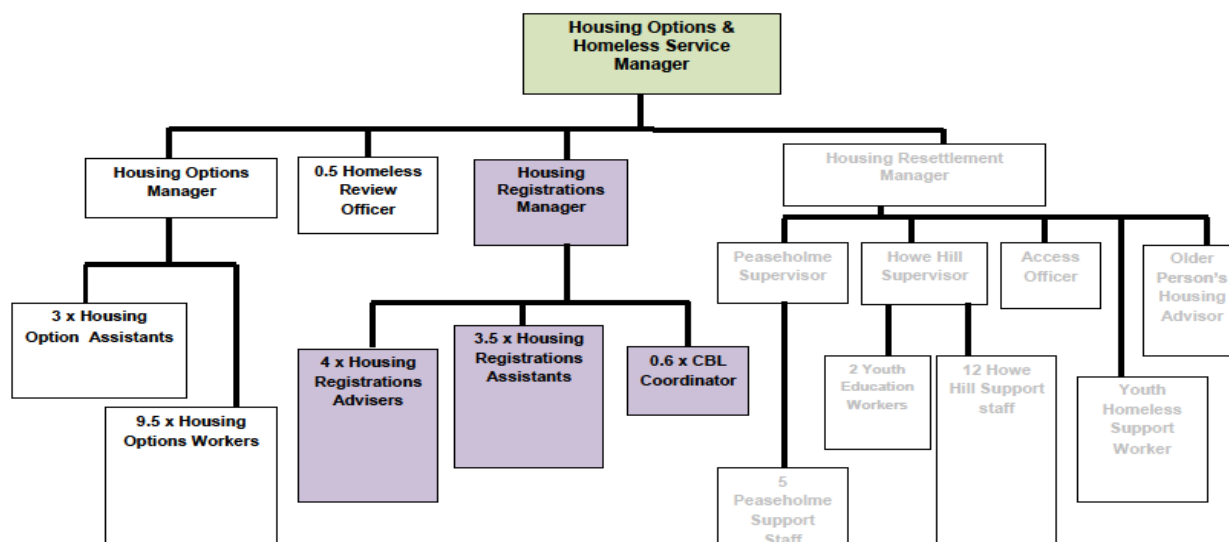
Given the very high demand for affordable housing in York there are very few hard to let properties within the overall stock.

Emerging policy changes at the national level will see a further reduction in the availability of genuinely affordable social housing in the city. Enhanced Right to Buy discounts and the compulsory selling of higher value council housing will place downward pressure on supply alongside year on year rent reductions that will limit scope for new house building.

Conversely, other planned changes may put downward pressure on the demand side, such as the compulsory use of fixed term tenancies (as opposed to 'lifetime' tenancies) and 'pay to stay' proposals that will see those earning over a certain amount paying more[2].

3. Review scope

In early 2015, housing managers commissioned a review of NYHC as part of its commitment to continuous service improvement. It was decided the review should principally focus on the CBL system and processes rather than the sub regional partnership and housing allocations policy.

The review has three key aims:
- Ensure the best possible outcomes for customers
- Improve job satisfaction
- Ensure the most efficient processes

4. Review methodology

A Check / Plan / Do methodology is being used, taking a 'systems thinking' approach based around the purpose of the system from the customer's perspective. The basic structure of the review is set out below:

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[2] Currently muted as £30,000 per household

- **Check -** Introduction and project plan. Starting the process of 'check' i.e. building a detailed picture of current processes and system capabilities (Feb – Jun)
- **Plan** – Identifying and agreeing areas for improvement and the scope of change required. Looking at best practice & learning from others (Jul – Sep)
- **Do** – Implement recommended changes (Oct-Dec)

By looking at the system as a whole rather than at its constituent parts, the review hopes to improve end to end processes and move the service closer towards customer purpose. The review aims to minimise 'waste work' and maximise 'value work'.

Outline timetable:
- Workshop 1 – Intro' & Defining Customer Purpose February 2015
- Check - Fieldwork   March –May 2015
- Plan - Identify Improvement Actions   July 2015
- Do – Implement Improvement Actions   August – October 2015

A series of staff workshops within the programme will ensure staff are at the centre of the review process contributing their detailed skills and experience. Change is a normative process.

It is understood that from the outset that and service improvement within 'check plan do' is emergent, with each new cycle leading to ongoing improvement activity.

5. Review findings

5.1 Defining customer purpose

During an early workshop in February 2015 staff sought to identify the purpose of the CBL system from a customer's perspective. Defining customer purpose is central to a systems think approach as it is the fulcrum around which current systems are assessed and system improvements identified.

Staff considered several possibilities drawn from earlier reviews of CBL in other areas:
- 'Provide a suitable home when needed' (Portsmouth)
- 'The right home for the right person' (Milton Keynes)
- 'Help me solve my housing problem' (Gt Yarmouth)

Staff found it difficult to agree on one overall purpose during the workshop. There was a tendency to describe purpose from a service perspective i.e. 'enabling housing choices', similar to the vision agreed by the NYHC partnership.

In discussions following the workshop it was agreed to define the purpose of CBL from a customer's perspective as **'Help me find a suitable home when I need it'.**

Following the workshop staff spent several weeks building a detailed picture of how the NYHC system works and what it delivers. This included a number of key elements:
- Customer insight
- Staff insight
- System inputs and outputs – system capabilities
- System picture
- Type and frequency of customer demand on the system
- General issues and Ideas log

The following sections detail key findings from each of these in turn.

5.2   Customer insight

For a six week period customers were asked eight questions about their experience of using NYHC. The survey was advertised via a feature in the tenant newsletter and a random sample telephone survey of existing applicants was also undertaken. Full survey results can be found at Annex 1.

Key findings from this survey echoed those identified as part of an earlier survey conducted by the University of Birmingham on behalf of the Joseph Rowntree Foundation in 2012.

Key findings:
- Applicants can be on the housing register for a significant time. 85% of respondents have been registered for more than 6 months, 60% for more than 12 months and 4% (67) over 6 years
- 46% preferred making applications online closely followed by those preferring face to face contact (40%)
- Completing the online form can be a lengthy undertaking, with lots of scope for gaps in information - 56% of applicants took 60 minutes or less to complete the application and 42% took 90 minutes or more
- A majority of applicants (52%) found the application process easy
- The overall application process can take many weeks. The largest proportion of applicants (50%) had their application processed within 4-6 weeks though for one in four applicants the process took over 8 weeks. The longer the process the greater the propensity for customers to contact staff for updates
- Only 24% of applicant said NYHC had delivered the outcome sought
- 33% thought that NYHC was the best way to allocate homes, whilst 27% disagreed.

5.3 <u>Staff Insight</u>

During an early workshop (Workshop 1) staff members were asked about their experiences of administrating NYHC.

Sources of staff satisfaction:
- Housing people and seeing the end result
- Seeing things through
- Helping the right people and meeting their needs
- Getting the right outcome
- Correctly assessing need
- Spotting scams

Sources of staff dissatisfaction:
- Not being able to help everyone in housing need
- Time consuming process keeping the register up to date and accurate – lots of forms & emails etc

- Lack of consistency in assessment and application of policy
- Dealing with challenging people and managing expectations
- Frustrating IT systems that are not linked up

General comments:
- There's lots of time spent checking and validating applications with lots of chasing up and filling in gaps to ensure the application is accurate and up to date
- It can often feel like we are processing forms for the sake of processing
- There is a tendency for workloads to increase
- The system has caused more angst for staff because they feel they have little control over the system. It often feels like the system is controlling them
- Banding assessments and appeals against banding outcome can take up considerable time.
- The system encourages band chasing
- The workload is huge and little or no efficiencies have been made since CBLs introduction
- As host authority for the NYHC system, team members can find themselves addressing queries and dealing with problems on behalf of other partners, none of which is funded through contributions.

Key findings:
- There is a high degree of professional pride and satisfaction expressed by staff involved in helping people find a suitable home when they need it.
- It is clear staff are concerned to ensure those in need are the ones helped rather than those who know how to 'play the system'.
- There is also a lot of frustration and dissatisfaction expressed, primarily relating to the CBL system and processes which are characterised as time consuming, bureaucratic, impersonal and largely unrewarding with a significant amount of checking, validating and chasing up
- Staff members are particularly frustrated by IT systems that are not linked up.
- There are unresolved issues re. York's role as host authority that result in increased work loads.

5.4   <u>System inputs and outputs</u>

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	46	
Total for year	555	7%

Fig. 4. Proportion of households in each priority band – York 2014-15:
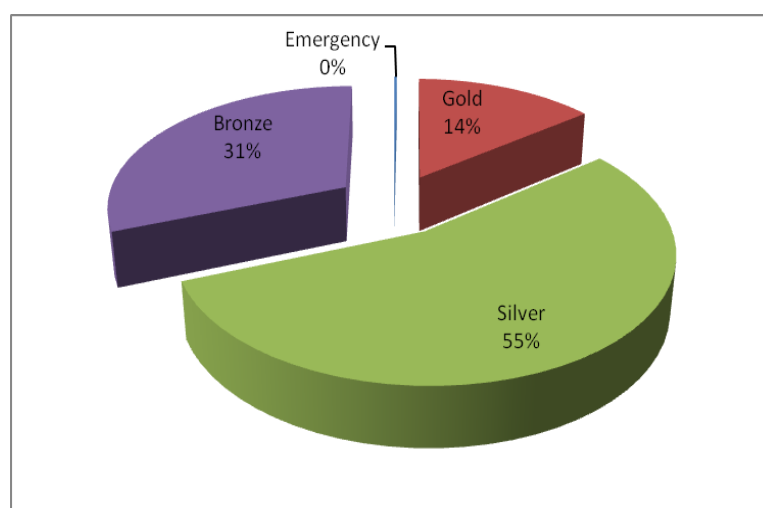
Fig 4b. Cost of processing Bronze band applications:

Cost of processing Bronze band applicants					
New applicants per annum (2014/15)	No. placed in Bronze band (31%)	Staff time in hrs per application	Total staff time spent processing Bronze band applications per annum (excluding band appeal, ongoing Change in circs/Amends etc)	Average staff cost per hour £	Total staff cost per year for Bronze band applications £
2711	840	2	1681	13.30	**22,355**

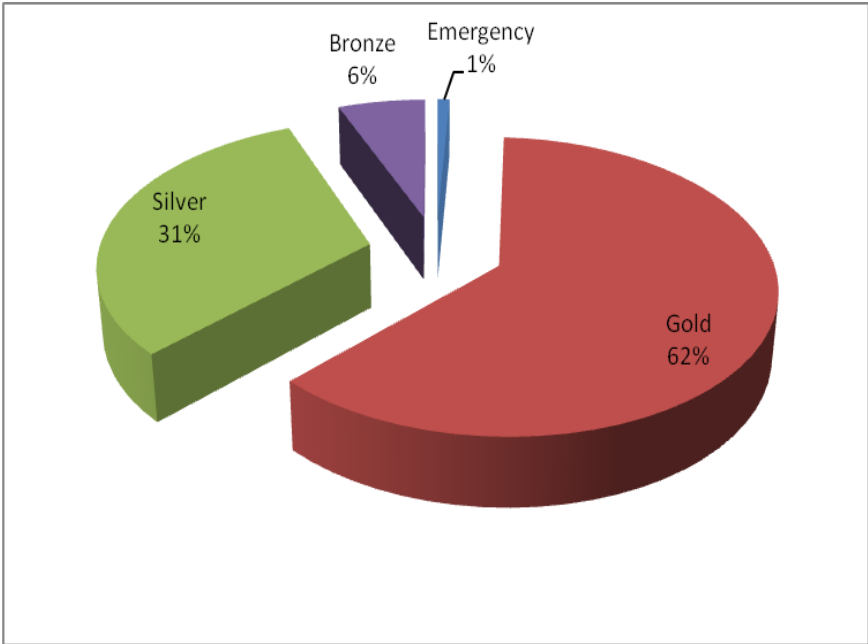**Fig. 5. Who did the available properties go to in 2014/15?**

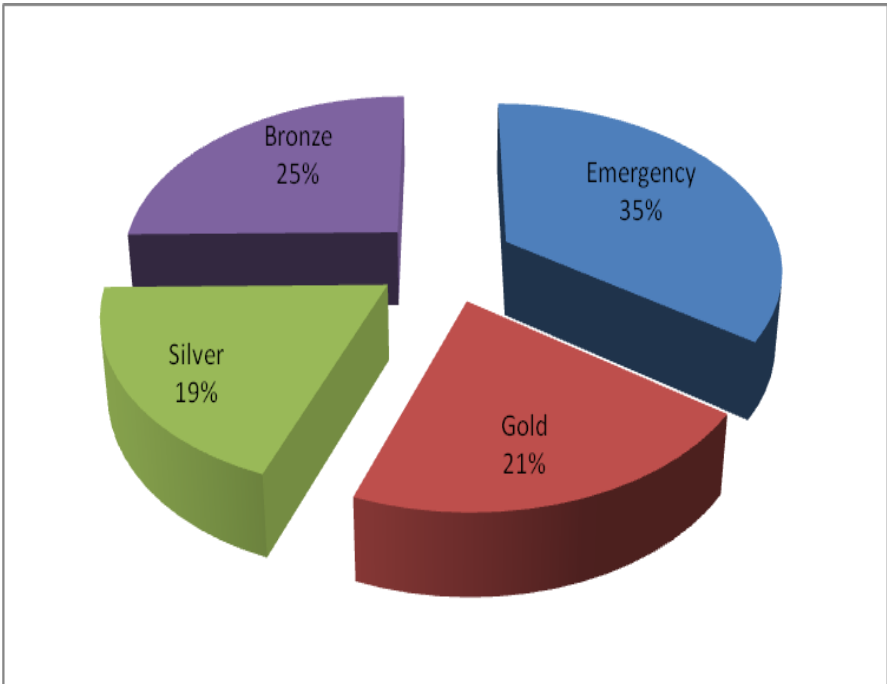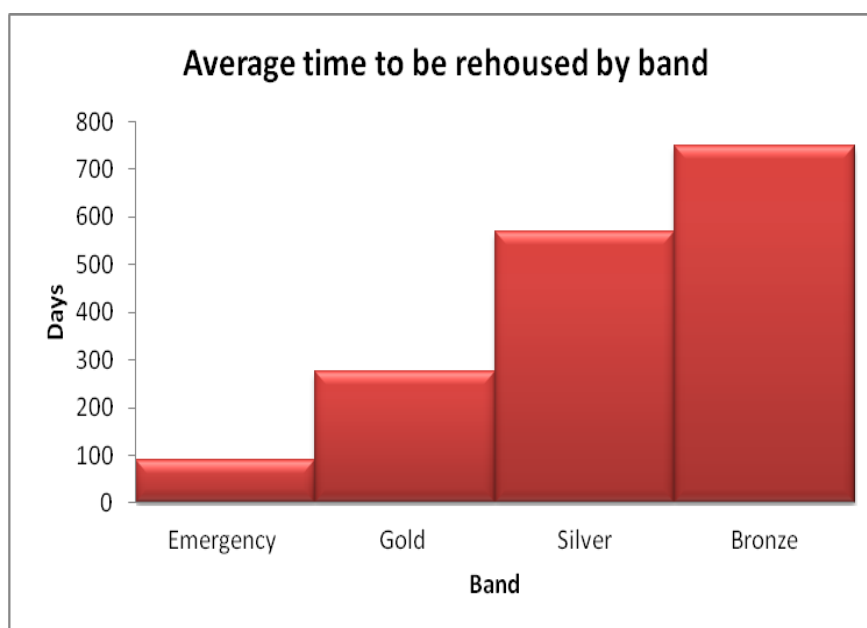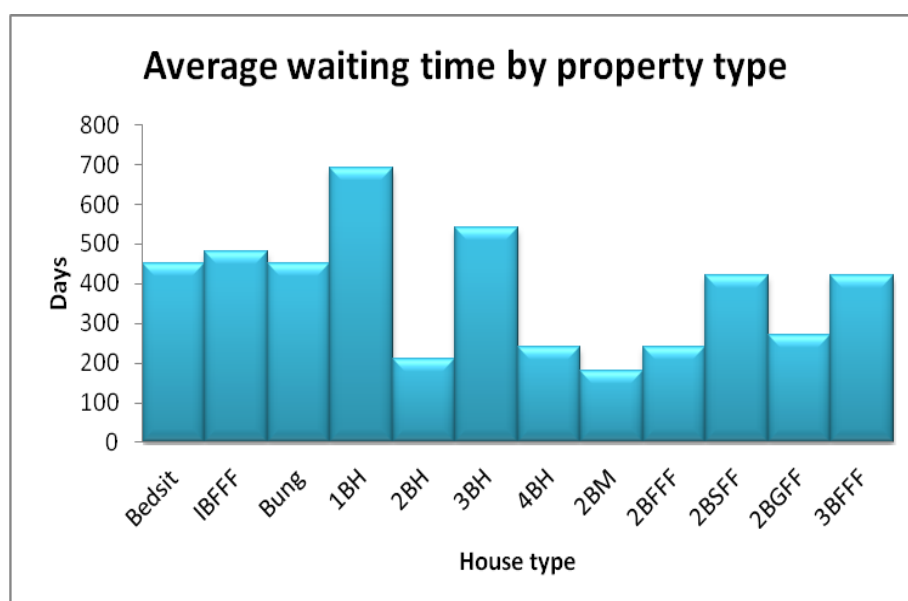**Fig 6. Proportion of non bidders by band:**

Fig. 7. Average time to be re-housed:

Average time to be rehoused by band

Fig. 8. Average waiting time per property type:

Average waiting time by property type

Fig. 9. Number of properties let as a result of a failed tenancy (abandonment/eviction) 2014/15:

Cost of failed tenancies			
No. of failed tenancies per annum	Annual failure rate %	Average cost per failure £	Total cost of failed tenancies per annum £
44	8	7,000	308,000

Annex C

Fig. 10. Bidding patterns 2014-15:

PROPERTY TYPE	TOTAL PROPERTIES	TOTAL BIDS	AVERAGE BIDS
SHELTERED			
1BGFF	20	**443**	**22**
2BGFF	4	**23**	**6**
1BFFF	11	**134**	**12**
2BFFF	3	**15**	**5**
1BSFF	4	**88**	**22**
1BB	2	**79**	**40**
FFBS	2	**4**	**2**
GFBS	1	**11**	**11**
STANDARD ACCOM			
GFSTUDIO	5	**161**	**32**
GFBEDSIT	9	**302**	**34**
1FBEDSIT	5	**135**	**27**
1BB	19	**481**	**25**
2BB	13	**192**	**15**
1BGFF	126	**8884**	**71**
2BGFF	19	**1289**	**68**
1BFFF	60	**5030**	**84**
2BFFF	35	**1784**	**51**
3BFFF	1	**22**	**22**
1BSFF	14	**804**	**57**
2BSFF	12	**761**	**63**
1BSFF	0	**0**	
1BTFF	2	**121**	**61**
2BSFF	0	**0**	
3BTFF	2	**8**	**4**
1BH	5	**323**	**65**
2BH	68	**8041**	**118**
3BH	88	**2556**	**29**
4BH	18	**121**	**7**
1BGFM	1	**64**	**64**
2BGFM	0	**0**	
1BFFM	0	**0**	
2BFFM	0	**0**	
1BSFM	0	**0**	
2BSFM	6	**342**	**57**
TOTALS	**555**	**32218**	**58**

Key: **Green** = High demand / **Orange** = Medium demand / **Red** = low demand

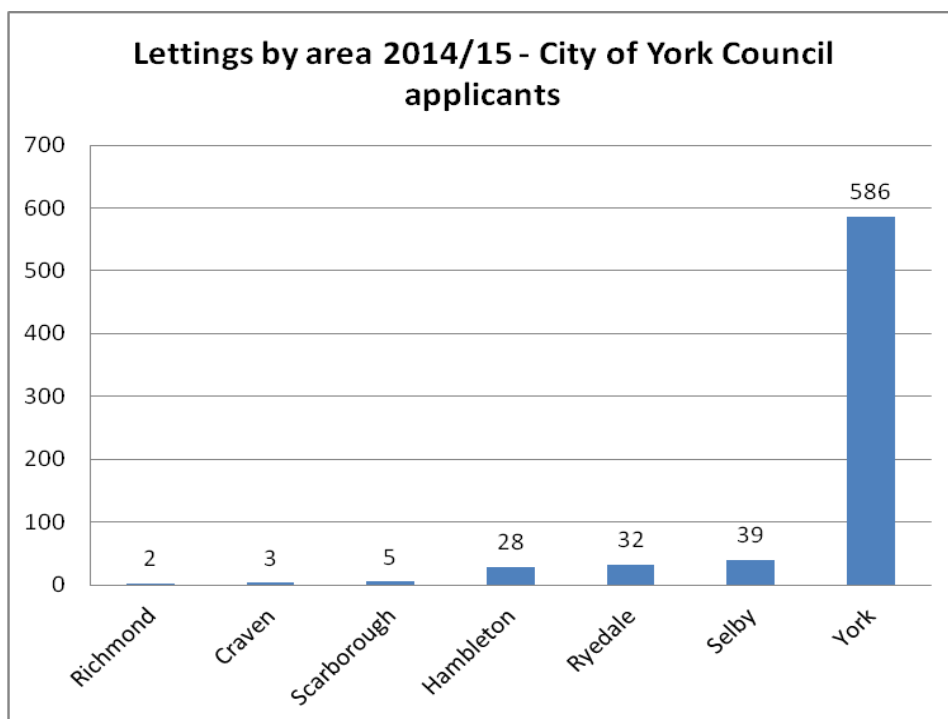## Fig 11. Lettings by sub-regional area 2014/15 – City of York Council applicants:

Lettings by area 2014/15 - City of York Council applicants

Fig 12. Main reasons given by households for not accepting the offer of a home:

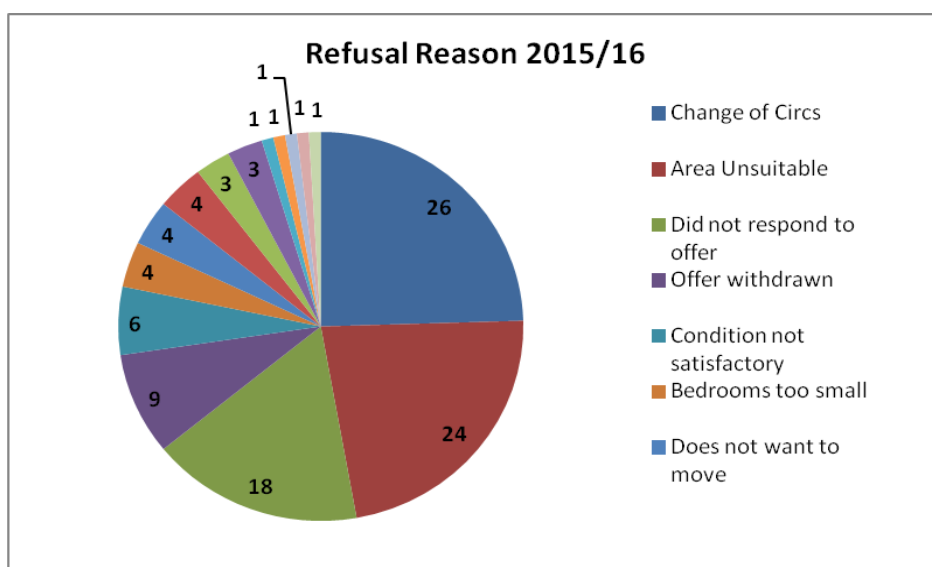Refusal Reason 2015/16

Fig 13. Average cost of refusals per annum:

| Average cost of refusals per annum					
Additional void costs					
Ave No. of refusals per annum	**Ave No. of additional void days per refusal**	**Total No. of additional voids days per annum**	**Ave weekly rent**	**Ave daily rent**	**Total voids days pa x daily rent £**
202	5	1010	85	12.14	12,264.29
Staff costs					
Ave No. of refusals per annum (2015/16)	**Ave additional hours of staff time per refusal**	**Total additional staff hrs per refusal per annum**	**Ave Staff cost ph (G5-top)**		**Total additional cost per annum**
202	3	606	10.24		6,205.44
				Grand total	**18,469.73**
				Projected total over 4 years	**73,878.92**
Additional cost per reason					
Reason for refusal	**% of all refusals**				**Cost per reason pa £**
Change of circs	25				4,617.43
Area unsuitable	25				4,617.43
No response	17				3,139.85
Total	**67**			**Total**	**12,374.72**

Key findings:
- The housing register has a tendency to grow over time with all applications being turned into demand for housing
- In 2014-2015 only 40 properties became vacant each month whilst 226 new households joined the register each month.
- Over the past few years approximately 555 properties have become vacant each year in York giving a turnover rate of around 6%[1]

- Only 33% of customer demand is currently being met (i.e. approx' 1,500 households on register at any one time with around 550 successfully housed per annum)
- 31% of people on the housing register are assessed as having little or no housing need (Bronze band). Assuming average processing times of 2 hours per applicant
- Only 6% of vacant properties are let to people in Bronze band meaning a significant proportion of households are placing demand on a system that rarely meets their needs
- The majority (55%) of applicants are in Silver band
- Applications currently take around between 4 and 8 weeks to be assessed
- There appears to be a significant proportion (25%) on non-bidders. Of the 2,726 new applicants to join the list in 2014/15, 1486 are now (Nov 2015) closed (i.e. either customer value was not met or the household found accommodation elsewhere). Of these, 625 were within Bronze band and 590 (90%) of these households never placed a bid
- The current tenancy failure rate (within 12 months) is 8% or 45 per year at a typical cost per failure of £7,000 (or £315,000 per year).
- In 2014/15, 555 available properties generated 32,218 bids (an average of 58 bids per property).
- Most popular property types can generate over 155 bids each time they become available.
- The most popular properties include types 2BH, 1BFFF, 1BGFF, 1BH, 1BGFM and 2BSFF.
- Least popular properties are clustered in the 'Sheltered' sector including FFBS (Sheltered), 3BTFF, 2BFFF (Sheltered), 2BGFF (Sheltered) and 4BH.
- 85% of successful CYC applicants were housed within the York area. 15% were housed outside the York area with the highest proportions in Selby (5.6%), Ryedale (5.4%) and Hambleton (4%).
- There have been a total of 101 refusals in the first half of 2015/16. Extrapolated over 12 months we can expect around 202 refusals over 2015/16.
- This rate of refusals translates into 1010 lost void days per annum, incurring additional void costs of £18,500 per annum.   Over a four year period this rises to almost £75,000 in avoidable cost.
- The main reasons given for refusals include a 'change in circumstances' (26%) and 'the area being unsuitable' (24%).   18% (or almost 1 in 4) of households offered a home simply did not respond.

5.5 System picture

At workshop 1 staff mapped out the NYHC system. This was further refined by service managers and staff over several weeks. A full page version can be found at Annex 2.

Fig .11 System picture:
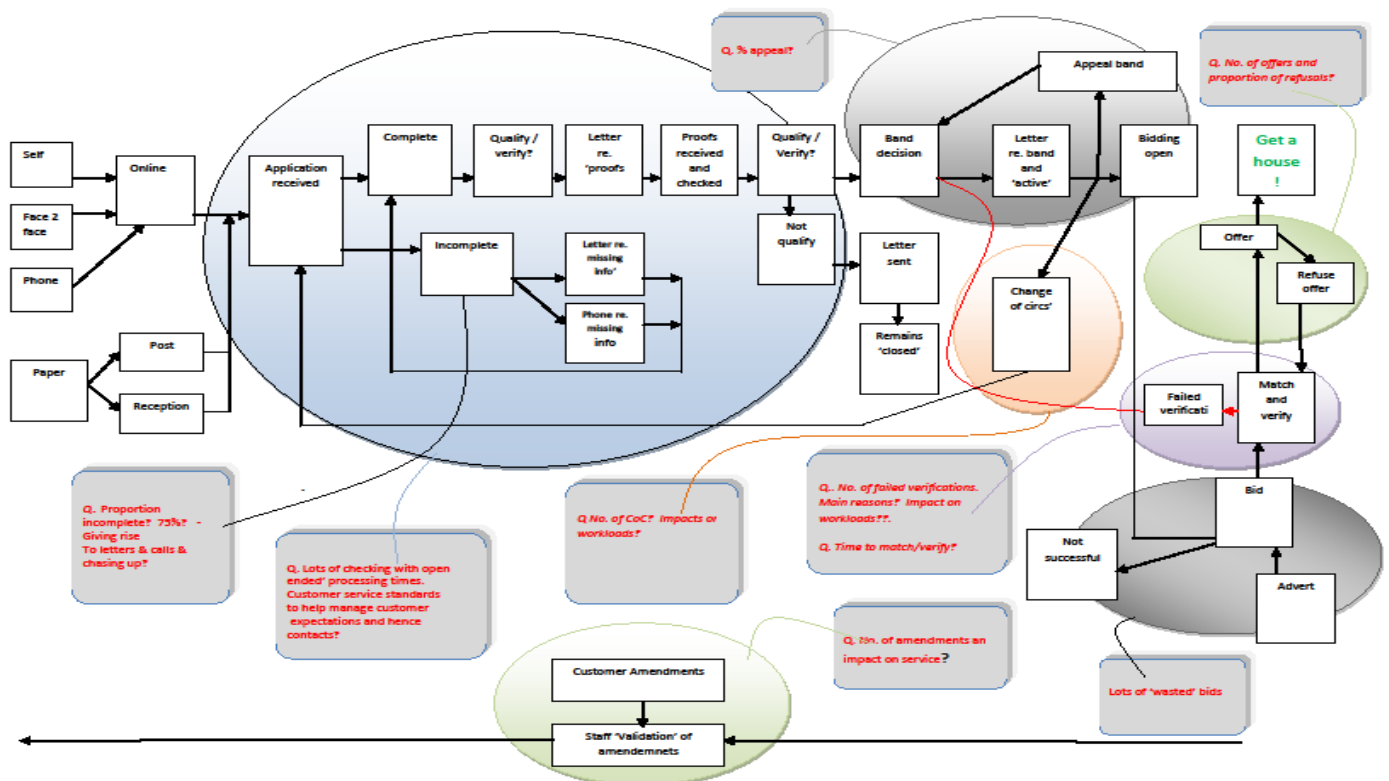
The system picture shows many process steps, some of which serve customer purpose (and hence provide value) and some that occur as a result of a failure to do something or to do something right.

Key findings:
- The overall picture is of a relatively inflexible system with lots of separate stages/steps
- Breaking down the application process into functional parts can inhibit work flow and result in backlogs such as the manual checking of applications and validation of customer amendments
- Only a proportion of applicants are made as a result of Housing Options with many more coming directly through the NYHC website, unmediated by direct customer contact

- 95% of all new 'self service' applications are incomplete and require follow up
- All demand into the system is classified as 'work to be done'
- The website encourages applications and does little to inform customers about their realistic chances of being offered a home. Equally, those applying by post or face to face are given little information at this critical early stage about their chances of success
- There is no step in the process called 'talk to customer'. The self service 'do it online' approach prohibits gaining a full understanding of the customer's 'nominal value' resulting in all applications being turned into demand for housing
- NYHC feedback loop is not working as intended. There is a lack of clear information that empowers prospective applicants to make informed choices about their chances of being offered a home and thus whether to apply in the first place or to stay on the list
- The initial assessment stage is open ended, taking as long as it takes for gather complete information. This stage can generate 'failure demand' as customers request updates or fail to receive, understand or reply to letters/calls.
- The appeal process can be time consuming as people chase higher bands.
- Given the amount of information required upfront there is scope for a significant proportion of incomplete applications, resulting in the chasing up of information via additional customer contacts (letter, phone and email). This can give rise to a large amount of failure demand.
- Significant effort is required to maintain accurate records as customers make amendments to their applications (each requiring staff member 'validation') or notifying of a change in circumstances.
- Unsuccessful repeat bidders are not being identified and pro-actively approached about future options, such as re-direction of energy down other housing routes.
- There is significant system waste within the bidding stage, especially for the most popular properties with a high proportion of failed verifications.

5.6 Type and frequency of customer demand on the system

Over a three week period staff measured the type and frequency of incoming customer demand on the system via telephone and daily drop-in sessions at West Office reception[3] (customer contact via email was not monitored).

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[3] Incoming telephones calls were monitored over seven x 0.5 day sessions and customer visits to the drop-in service were monitored over nineteen x 0.5 day sessions.

Customer demand was categorised as either 'value demand' or 'failure demand' assessed in relation to the agreed purpose of the system from a customer perspective: i.e. *Help me find a suitable home when I need it.*

Examples of failure demand (demand we don't want) include:
- I can't use your system
- What's happening with my application?
- I haven't heard from you
- You told me to come back
- What are my log-in details
- Misdirected

Types of value demand (demand we do want) include:
- I want to register for a home
- I have more information for you

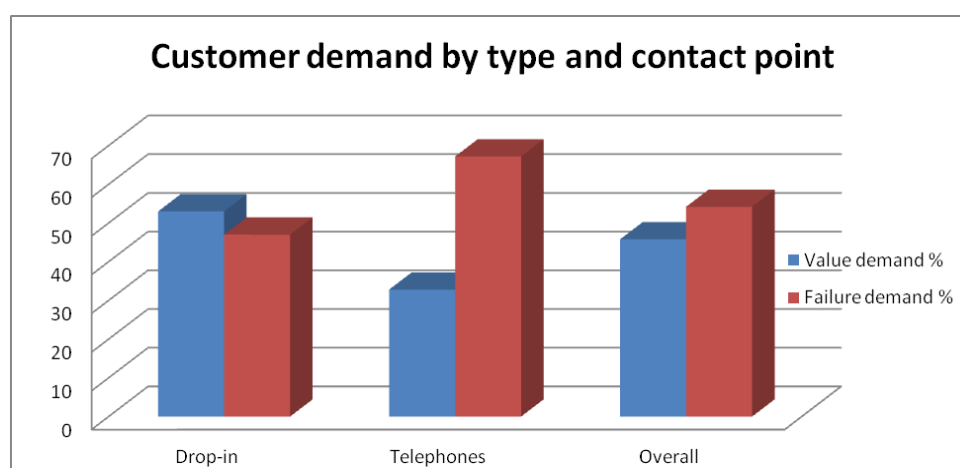## Fig. 12 Customer demand on system by type and contact point:

Customer demand by type and contact point

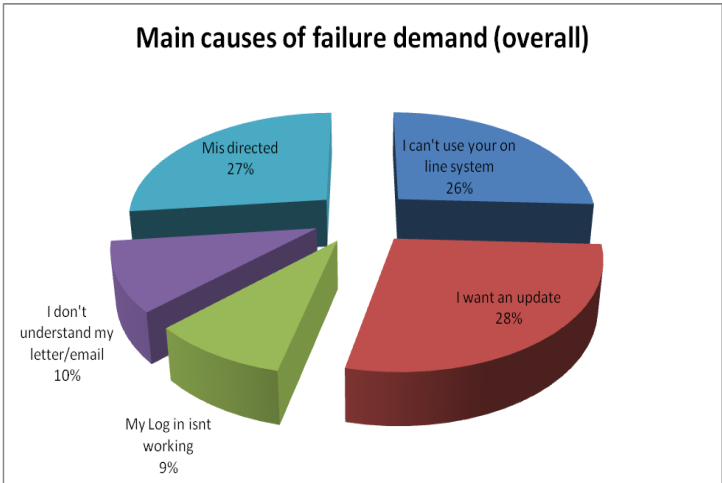## Fig. 13.   Main causes of failure demand (overall):
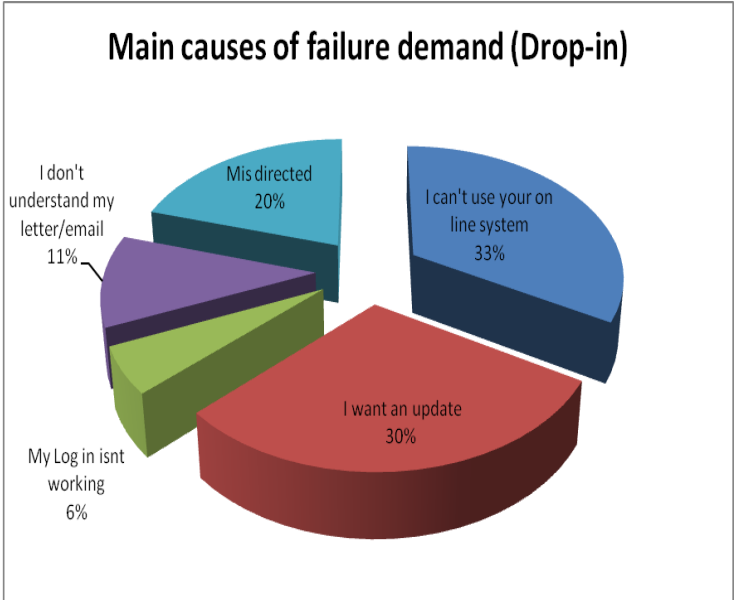
Fig. 14. Main causes of failure demand (Drop-in):

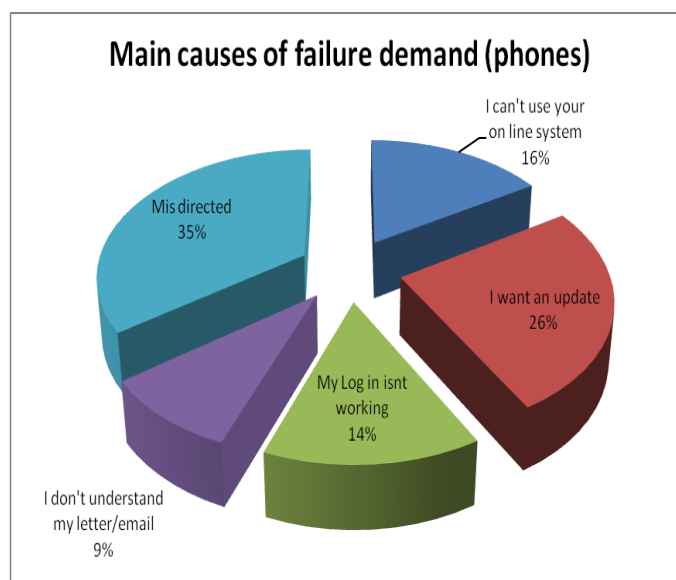**Fig15. Main causes of failure demand (phones):**

Fig. 16. Frequency of customer demand on system:

	Average contacts per half day	Assumed average per full day
Drop-in	6 (40%)	12 (40%)
Phones	9 (60%)	18 (60%)
Overall	15 (100%)	30 (100%)

Fig.17. Time taken to deal with customer demand (overall):

	Minutes	Hrs
Total time available over all monitored sessions	6660	111
Actual total customer contact time	522	8.7

Actual customer contact time as a proportion of time available	7.8%	

Fig 18. Time taken to deal with customer demand (Drop-in):

	Minutes	Hrs
Total time available over all monitored sessions	4860	81
Actual total customer contact time	360	6

Actual customer contact time as a proportion of time available	7.4%	

Fig 19. Time taken to deal with customer demand (Phones):

	Minutes	Hrs
Total time available over all monitored sessions	1800	30
Actual total customer contact time	162	2.7

Actual customer contact time as a proportion of time available	9.0%	

Key findings:
- There is a significant amount of failure demand on the system, representing over 54% of staff time
- Rates of failure demand are much higher in relation to telephone contacts (65%) than with Drop-in visits (45%)
- Overall the main causes of failure demand involve customers requesting an update (28%), a misdirected enquiry (27%) or enquiries about the online NYHC system (26%)
- The main cause of failure demand within the drop-in service is people wanting an update (30%)
- The main causes of failure demand via telephone are misdirected enquires, customers wanting an update or a problems logging into the NYHC website
- There are an average of 30 customer contacts per day via telephone and Drop-in with the highest proportion (60%) coming via phone
- Drop-in and telephone enquires consumed around 8% of staff time overall. Customer email contact and contact arising via the NYHC website was not monitored as part of this review
- The process of monitoring calls and visits has highlighted a number of related to staff training and policies and procedures.

5.7 General issues and ideas log:

Throughout the course of the review staff raised issues and ideas relating to several key areas:

- NYHC website
- West office drop-in (reception)

- Enabling informed choice
- Checking, verifying and keeping accurate records
- Policy
- Partnerships
- Staff empowerment

A full list of issues and ideas is attached at Annex 3.

Key findings:
- There are several minor improvements required to the NYHC website that could help reduce failure demand on the system and better manage customer expectations / decision making
- West Office drop-in service experiences peaks and troughs in customer demand. Occasionally customers are passed between functional specialisms or have been misdirected to the drop-in by other services. Clearer information about customer service standards at this point might better manage customer expectations and limit failure demands
- There is only very basic information available to customers regarding the likely availability of properties matching their preference and their likely chances of being offered a home
- There is some inconsistencies within the checking & verifying procedures that need tightening up to ensure a consistent approach (e.g. in relation to armed forces). There are several ideas for reducing the amount of checking and chasing up required
- Changes in policy might help reduce demand into the system backed up by improved understanding by customers as to what the system can and cannot deliver and to whom
- Unresolved partnership issues are leading to increased work loads that are not funded by partner organisations.

6. Summary

This review set itself three key aims:
- Ensure the best possible outcomes for customers
- Improve staff satisfaction
- Ensure the most efficient processes

Two essential first steps towards these objectives were 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 could staff know what aspects of the system to work on to best deliver

customer value. Customer purpose was defined as 'Help me find a suitable home when I need it'.

Customer insight showed that applicants welcome the increased offered by the scheme and that many, especially those who were successfully housed found the allocations system easy to understand and thought it was fair.

A significant proportion, however, 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.

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 NYHC raises expectations unrealistically and leads to an even longer housing waiting list.

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.

Staff expressed 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 a long list of suggested improvements.

Our analysis of **System Inputs and outputs** revealed a growing amount of activity within a system that is largely process driven, with no step called 'talk to the customer'. The current IT and form based system turns all applications into demand for housing.

The demand for housing far outstrips available supply. Much of this 'demand' comes from households assessed as having little or no housing need.   Only a third of customer demand is currently being met.

The split in allocations suggests the scheme is operating as intended with the vast majority of homes being allocated to those with the highest housing need. There appears to be a high proportion of non bidders within each band.

The **System picture** revealed an inflexible process driven system with many stages. Customers can apply regardless of housing need and eligibility

creating a growing number of service demands within a system focussed on checking, correcting, validating and updating customer records.

There is no step in the system called 'talk to the customer'.   IT and form based systems can inhibit gaining a full understanding of the customer's nominal value and scope to effectively managing customer demand.   A large number of incomplete applications generate significant 'waste' within the system.

The NYHC feedback loop is not working as intended with a lack of clear and timely information to customers about their chances of being offered a home. Open ended processes mean customer expectations are not effectively managed.

Customer demand analysis showed a high degree of failure demand, soaking up significant staff time that could be better spent in more productive 'value' focussed activities. A significant proportion of failure demand is due to the open ended nature of process steps and the resulting 'request for updates' this generates. There is a high proportion of misdirected calls.

The **General issues and ideas log** has captured a range of improvements that could be implemented fairly quickly relating to several key areas of the system, notably the website, drop-in service, enabling informed choice and staff empowerment.

7.   Recommendations:

In broad terms the following **operating principles** might best characterise the current NYHC system:
- We turn all applications into a demand for housing even when they may not be
- We encourage applications and let in 'unclean' applications (incomplete, with errors)
- We prioritise applicants and band them
- We give applicants choice in bidding for homes
- We split work into functions for greater efficiency

To ensure the best possible outcomes for customers via the most efficient processes with improved staff satisfaction it is recommended the service works towards the following operating principles:

- Seek to fully understand the customer's needs (their underlying nominal value)
- 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 (system capabilities)
- Have up to date and detailed information about our properties

To help deliver these principles two broad areas of improvement work are suggested:

- More effective management of customer demand *coming into* the system
- More effective management of customer demand *within* the system

Staff have already identified a large number of small improvement actions that would immediately contribute towards these objectives and this should be developed into a deliverable improvement programme as part of phase 2 ('Plan').

Alongside this the service should also consider scope for wider system change, learning from social housing providers that have already moved away from CBL and developed alternative methods of allocating affordable housing.

A common feature of these new systems is a move away from maintaining large housing registers with a shift in resource towards front end customer contact to better mediate demand coming into the system.

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 clear with customers about their chances of being offered a home.

Such approaches are often implemented with a strong focus on a housing options approach and the development of wider housing choices and access

routes within the locality (though scope for alternatives to social housing may be more curtailed in York given the pressurised housing market).

Housing providers that have gone down this route have reported meeting a higher proportion of customer demand, reduced customer waiting time, less time spent dealing with failure demand and more time on delivering customer value, improved customer and staff satisfaction levels and reduced housing turnover.

As part of this, the service could consider any or all of the following:

- No unmediated access to the housing register via a self-service web portal. All applicants required to go via a housing options approach as the primary customer entry point
- A less process driven system with staff empowered to quickly understand a customer's nominal value and the creatively problem solve towards agreed outcomes.
- The removal of application forms
- Being clear with customers about what we can and can't do and providing as much empowering information as possible via a detailed knowledge of the housing stock/area availability etc so the customer can make an informed choice about their chances of being offered a home.
- A clearer focus on those with assessed housing need only and the removal of Bronze band.
- A move away from functional specialisms at the front end customer interface towards a more generic service.
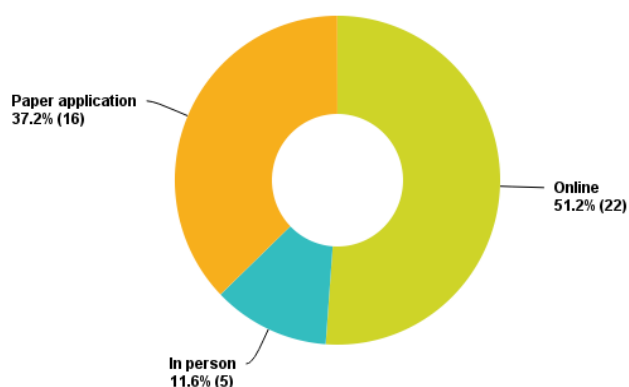
Appendix 1

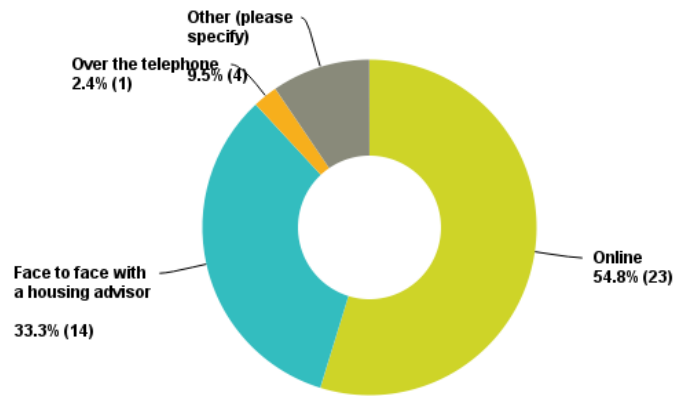**Choice based lettings review
Customer Insight Survey - May/June 2015**

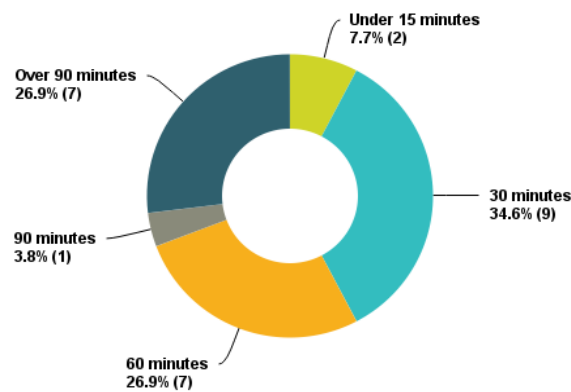**Q1: How long have you been registered on North Yorkshire HomeChoice?**

Between 1 and six months
23.3% (10)

Over 1 year
48.8% (21)

Over 6 months
27.9% (12)
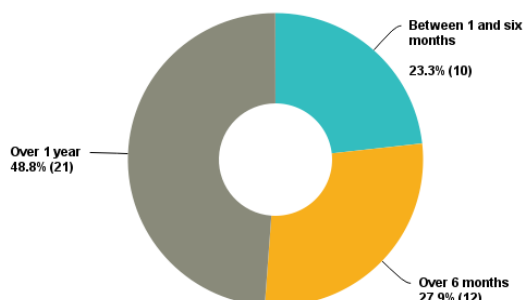
Q2: How did you make your application to North Yorkshire HomeChoice?

Paper application
37.2% (16)

Online
51.2% (22)

In person
11.6% (5)

Q3: What is your preferred way of making an application?

Chart Q3:

- Other (please specify) 9.5% (4)
- Over the telephone 2.4% (1)
- Face to face with a housing advisor 33.3% (14)
- Online 54.8% (23)

Q4: If you applied online approximately how long did it take you to complete the form?

Chart Q4:

- Under 15 minutes 7.7% (2)
- Over 90 minutes 26.9% (7)
- 90 minutes 3.8% (1)
- 60 minutes 26.9% (7)
- 30 minutes 34.6% (9)

Q5: The application process was quick and easy:

Chart Q5:

- 2.5% (1)
- 17.5% (7)
- 27.5% (11)
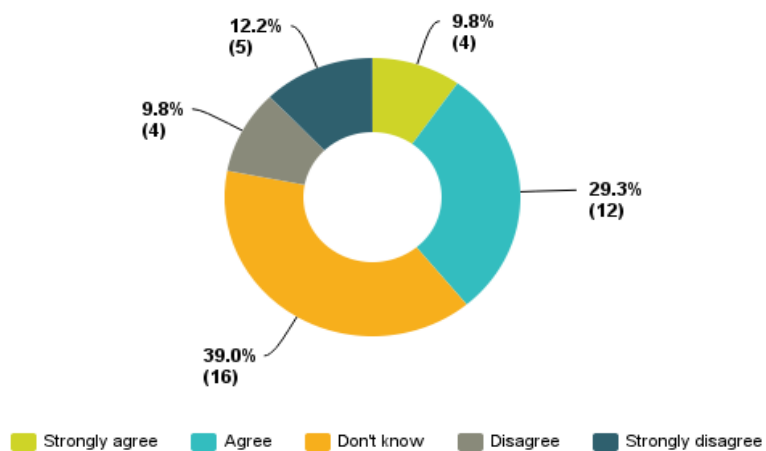- 52.5% (21)

Legend: Strongly agree | Agree | Don't know | Disagree | Strongly disagree
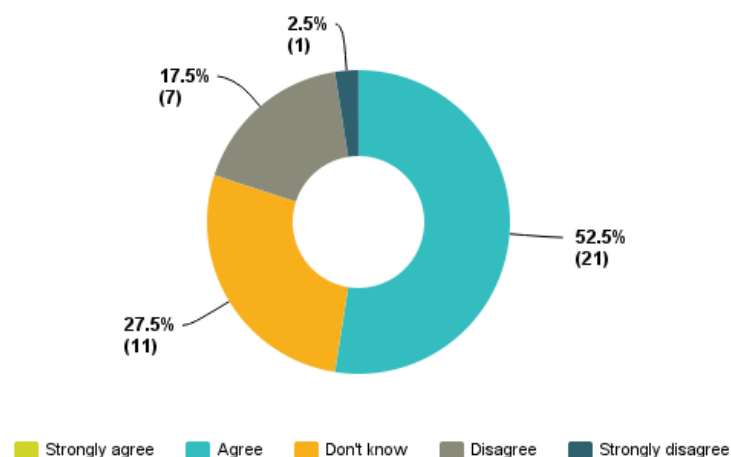
Q6: How long did it take from the date of application to the application being fully assessed and made 'live'

Over 8 weeks 21.7% (5)
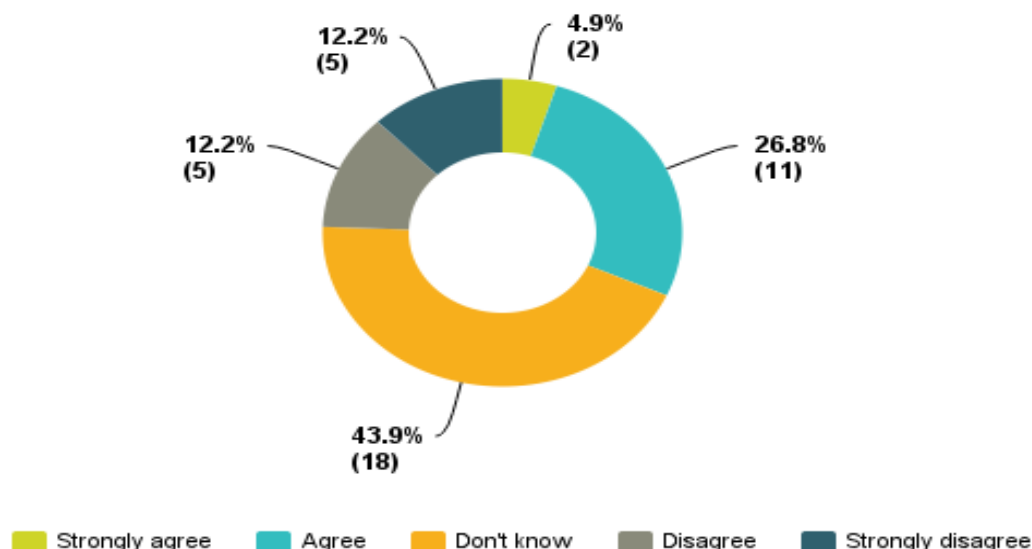Between 2 and 4 weeks 8.7% (2)
Between 6 and 8 weeks 17.4% (4)
Between 4 and 6 weeks 52.2% (12)
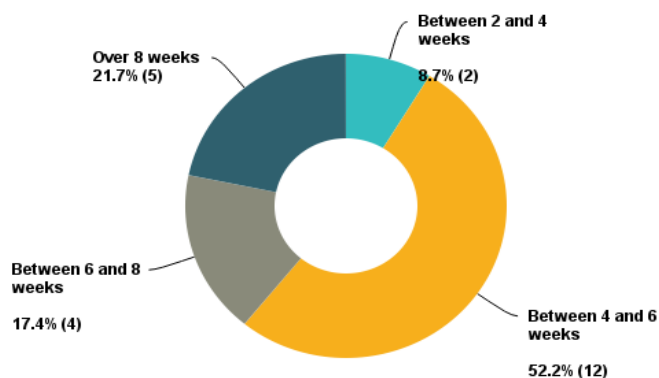
Q7: I got the outcome I wanted

15.0% (6)
27.5% (11)
32.5% (13)
25.0% (10)

Strongly agree   Agree   Don't know   Disagree   Strongly disagree
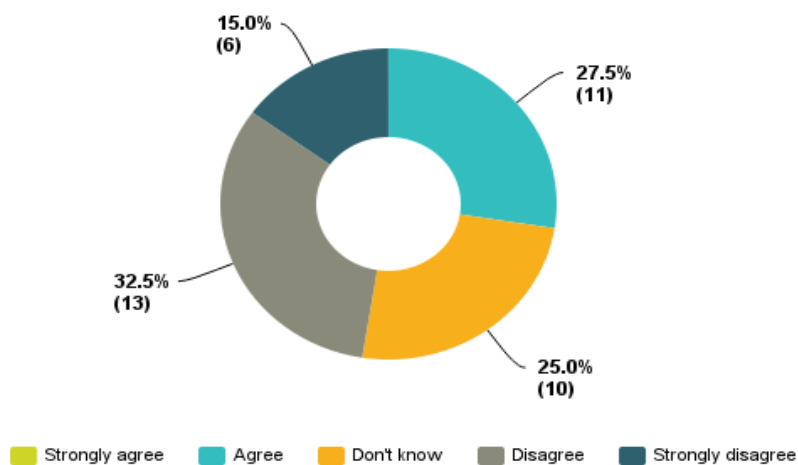
Q8: I think North Yorkshire HomeChoice is the best way to allocate homes

12.2% (5)
9.8% (4)
9.8% (4)
29.3% (12)
39.0% (16)

Strongly agree   Agree   Don't know   Disagree   Strongly disagree

Q9: I would recommend North Yorkshire HomeChoice to others

Strongly agree · **Agree** · **Don't know** · **Disagree** · **Strongly disagree**

Appendix 2

Phase 1 General issues and ideas log

Website:
- More robust gate keeping via requirements for 'face to face' interview before being allowed to apply online?
- Directing people to explore other options though a clearer assessment of their chances up front
- CBL website invites applications without checking local connection up-front.
- 'My to do list' – 'contact your current housing provider for mutual exchange' – But York and Scarborough use Homeswapper! – This generates unnecessary enquiries i.e. housing assistants sending out letters to customers advising that York and Scarborough don't do ME and then manually cancelling ME applications.
- Some contact details on website incorrect.
- The system is not case sensitive, so staff have to in to alter mistakes so time saved having an online system is reduced.
- Timing out issue. Online applications time out after short period of inactivity and any data input before the 'log in details' section is lost as not log in has been issued. Customer must start from scratch.
- Q. Why not generate log in as a very first step. Then if times out after that, customer can log back in with all date saved.
  - Q how many each month?
- Language: Word 'list' suggests the customer moves up the list each time a property is let. Better word might be 'register' or 'database'.

Reception:

- Reactive queuing system in WO reception. Does not alert staff to customer arrival. Staff need to regularly check and can sometimes get distracted on other tasks. This diminishes customer experience.
- Why not surgeries with specific times for specific issues? / Why not more generic greeter post to help route/channel customers to right source of help – Could maybe be generic advisory role linked to more specialist staff in back office with option to call them in to give specialist advice.
- Some customers transferred through queuing system several times – retelling story/information each time before getting to someone who could help them.
- Lost of passing customers between functional specialisms i.e. housing registrations/housing options/rents etc)

Enabling informed decisions / managing expectations

- Housing Options advice - firming up advice based around a more robust analysis of likely chances of receiving a housing offer so limit demand onto CBL system where possible.
- Housing Options advice that might sometimes encourages applications even when the prospective applicant's chances of being offered a home is slim (seen as an insurance policy or backstop).
- CBL is merely a process to let available social rented properties. This reinforces the point that the development and operation of CBL should not be seen as a stand-alone service. It has to be part of a broader housing options agenda focussing on the needs of customers. Without this type of approach the increasing demand for social housing will result in many customers becoming frustrated by repeated unsuccessful bids leading to disillusionment and continuing misconceptions about allocations policy
- CBL available properties print off available on WO reception desk. This should clearly show 'town' as a minimum. Should also be an opportunity to provide historic vacancy data/patters re. Customer's preferences to help inform/empower customer choice.
- CBL feedback loops not working as well as intended. There is a lack of clear information that empowers prospective applicants to make informed choices about their chances of being offered a home. Unsuccessful repeat bidders are not being identified and pro-actively approached about future options, such as re-direction of energy down other housing routes.
- Accepting applications by hand. No. advice/guidance given about:

- o Realistic chances of success
- o Preferences etc to increase chances
- o When will customer receive a letter of confirmation (i.e. customer standards) – to manage customer expectations and hence demand s on system.
- Enabling informed choice and managing customer expectations: Useful to have area/patch maps showing location of CYC properties by street. To help inform applicants about number of properties in each area (by size/type) so they can make informed decisions about preferred areas etc.

Checking & verifying & keeping up to date
- Improving work flow by combining functional specialisms and removing waste steps
- Reducing scope for failure demand
- Staff do not routinely check armed forces status – just take status as read. Policy requires applicant to be in armed forces at any point within the preceding 5 year period.
- Incomplete online applications (due to sections missed out). Team follow each up with a standard 'incomplete' letter. Some customers make repeated incomplete applications, even after being told they are not eligible (i.e. home owner).
- Pro-active management of households once on the register through improved customer relationship management
- Validation process: – i.e. customer makes change to application online - each change requires staff 'validation'.
  - o How many validations per month?
  - o How many of the changes result in meaningful change to band etc?
  - o Validation queue – is there a target timescale to validate each change? – the current approach appears to be open ended – is this leading to failure demands?
- Renewals: No bids in 12 months results in letter sent out give 28 days for customer to confirm if they wish to remain on list. If any amendment/change to application within the 12 months 28 days it is assumed customer wished to remain on list and clock is reset and application is renewed – giving a further 12 months.
  - o Q - is this right? Should we INSIST on bids?
  - o Are those in Gold and silver bands reviewed more often than 12 months (as stated in the allocations policy)?

Policy:

- Look to remove Bronze band and re-allocate 6% of properties outside of CBL i.e. using commercial lettings approach - or Yorhome?
- Foster/adopt/guardian agreement applicants. Currently have to apply via CBL and be given band but are given 'additional preference'.
  - o Q. Why not direct let outside of CBL? Corporate parent obligation and significant cost to LA for foster care should point to direct lets being better approach.
- Downsizers: Why push through CBL system? If we are seeking to encourage more downsizing then why not offer to downsizers first (on separate downsizers register) or at lest take this approach to those downsizing from 2 bed houses) most in-demand properties)?
- Should LCHO process be transferred to My4Walls to free up Housing Registrations team, who admit they do not have all the skills required to effectively market homes.
- Idea: remove 'time on list' from Bronze band. Operate as property shop with customers regularly checking available properties and allocated on first come first served basis.
- i.e. property becomes vacant. If no immediate match via Gold & Silver bands then put into 'all comers' property shop, just like a lettings agency.
- Is it time to consider fixed term tenancy for particular types of households / properties?
  - o i.e. older households or those approaching older age
  - o Young people who would benefit from a fixed period 'starter tenancy' – or 'move on' tenancy enabling the saving of a deposit into PRS/Home ownership i.e. the address the culture of 'we will say we are throwing you out so you can get on the housing list'.
- Should tenancies be more tied to 'community contribution' to encourage self improvement?

Partnership:
- Yorkshire Housing tenants using West Office reception to register/hand in /check etc... because YH don't have a local office or contact point. So – CYC providing this service free on behalf of YH. Why not measure demand and apply recharge to YH each month/year?
- Codifying customer contacts using agreed abbreviations – not being consistently applied.

Staff empowerment/training:
- Customer relationship management – managing customer expectations to better manage demand on the system
- Effective referral/signposting
  - York Housing Market / Housing Options