

Economy and Enterprise Overview and Scrutiny Committee

21 October 2013

Durham Key Options (DKO) Lettings Policy Changes Review (6 month)



Report of Ian Thompson, Corporate Director, Regeneration and Economic Development

Purpose of the Report

- 1 This report is to update the Committee on the impact of changes to the Durham Key Options (DKO) Lettings Policy in April 2013.

Background

- 2 Durham Key Options is a choice based lettings (CBL) scheme. CBL is a way of enabling people looking for a home to bid for available properties that are advertised in their chosen areas.
- 3 Durham Key Options began in 2009 and now has 8 full partners- the seven former district areas covered by Cestria, Dale and Valley Homes, Derwentside Homes, Durham City Homes, East Durham Homes, livin (formerly Sedgfield Borough Homes), Teesdale HA, and Accent Foundation (the first non-area based Registered Provider to join as a full partner).
- 4 CBL is a move away from the old style housing register where length of time on the register was the main indicator as to preference given to applicants for housing. Only those in the most urgent of need could access social housing without 'waiting their turn' on the register.
- 5 DKO operates by awarding priority banding based on individual housing assessments but also by advertising a smaller proportion of properties directed to those in lower bands, to ensure sustainable communities, high customer satisfaction across all housing needs, and to support housing partners with void re-let issues.
- 6 The Economy and Enterprise Overview and Scrutiny Committee at the meeting on the 6 July 2012 commented upon the proposed changes to the DKO Lettings Policy with these comments forming the Overview and Scrutiny response which was then fed into the on-going consultation exercise (25 June 2012 – 31 August 2012).

- 7 In summary the Overview and Scrutiny response to consultation in 2012 was as follows:
- The Committee agreed that the number of bands be reduced from 9 (A+ to F) to 5 (A-E).
 - The Committee supported the proposal to establish or make variations in relation to the stated Preference Groups (Priority Transfers, Armed Forces and Positive Contribution) and particularly welcomed the Armed Forces Preference Group as it reflects work undertaken on a regional basis by Overview and Scrutiny examining the health needs of the ex-service community.
 - In relation to the discharge of the homelessness duty, the Committee agreed with the proposal to amend the homelessness duty, reducing the time given to bid for a property within the scheme from 12 to 6 weeks.
- 8 Following the consultation the final changes were reported to Cabinet on 14 November 2012 with the Economy and Enterprise Overview and Scrutiny Committee receiving a further update on the progress of the new lettings policy at the meeting on the 14 January 2013.
- 9 Members may recall that at the June meeting of the Committee during the discussion of the work programme it was agreed that an update on the impact of the changes to the lettings policy would be included within the work programme for 2013/14.

Agreed changes and impact after 6 months

- 10 It was agreed by the DKO Partnership that the revised policy would begin on 11 April 2013, with a 6 month review to follow in October 2013.

Banding structure

- 11 Previously there were nine bands into which applicants were placed. These were bands A to F. Band F was a reduced priority band for those with rent arrears or history of low level anti-social behaviour. This band was created in accordance with government guidelines in 2009. The Localism Act 2011 and further allocation guidance allowed local authorities to disqualify these applicants from their register. DKO decided to remove this band. Only 0.8% of applicants managed to access a DKO property in 2011-12 from band F.

- 12 In December 2012 there were 344 band F applicants on DKO. These applicants were sent a letter in December 2012, advising of the changes in advance, and invited to contact their local DKO partner to resolve any issues. In April 2013 there were just 254 applicants in band F. They were suspended and given 28 days to appeal. No appeal was submitted at stage 3 (to be dealt with by DCC). Since the policy was revised in April there have been 326 applicants disqualified from the scheme with a right to review. There has been 1 subsequent appeal submitted at stage 3 (see point 16).
- 13 Bands B+ and B previously held applicants with two or more housing needs. After consultation it was decided that the banding structure should be based on the level of one housing need and not the number of total needs. 68 applicants were moved from band B+ to band B. Their assigned quota (for properties they are given preference for) was not amended, so impact was minimised. Just 108 applicants were moved from band B to band C- these applicants were considered to have a 'medium' level of housing need. There were no appeals received by DCC at stage 3.
- 14 Due to the quota system, applicants with a medium level of need such as medical/welfare, suffering hardship, overcrowded and non-statutory homeless are still offered a chance of being rehoused (but not at the 'expense' of band A applicants). In the last financial quarter, 436 applicants from these groups (the government call these reasonable preference groups), in band C, were rehoused through DKO.
- 15 DKO previously gave applicants fleeing domestic violence (DV) band B+. They are now awarded the same band as other statutory homeless applicants in band B. This was generally considered fair during consultation with applicants, RPs, full partners and supported groups. Statistically, applicants within this band (due to suffering from DV) were not previously rehoused quicker than those classed as 'standard' statutorily homeless, despite having a higher priority. Since the policy changes, the local authority have found they have a duty to 23 applicants with this priority need (by homeless legislation). Of the 12 rehoused so far, 10 have still been through the DKO scheme. There has been no negative effect of the policy changes in these cases.
- 16 The previous bands of A+ and C+ were removed. Band A+ was for applicants in regeneration areas that needed immediate housing. These applicants are now placed in band A. There are currently just 25 active applicants with this banding reason. The IT system is configured to place these applicants above other band A applicants. Impact on other applicants is low due to the small numbers involved.

17 Band C+ applicants (single high housing need) were placed into band B. One thousand applicants moved up a band and they now have a greater selection of properties they are given preference for, and therefore, a greater chance of being rehoused. Numbers in this band have not increased so impact has only been positive for these applicants.

18 **Under-occupation**

Priority was given to applicants who are under occupying their (full DKO partner) property in the light of welfare reform- which may mean people having to pay 'top-up' rent. This enables partners to make better use of their stock. Band B is given to those under-occupying by two rooms and Band C for those under-occupying by one room. Since the policy was revised in April, 62 applicants have been housed from band B (Under-occupying by 2 bedrooms) and 145 applicants from band C (Under-occupying by 1 bedroom). These 207 applicants would have been in lower bands (including band E 'adequately housed') if not for the new banding structure. These applicants may not have been housed without the policy change.

19 **Refusals and no responses**

The revised policy removes applicants from the register for a period of six months if they have refused three properties, or not responded to three offers, within a six month period. All applicants have a right to appeal. There are approximately 4 applicants per week suspended for 3 refusals of a suitable offer. All but one removal has been dealt with at appeal stages 1 and 2. In cases of a vulnerable applicant, or genuine reasons as to refusals, applicants are allowed to continue bidding on the scheme. If an applicant's circumstances change within the six month period they are able to submit a new application.

20 **Removal from register of Band E 'non-bidders'**

Applicants adequately housed, who have made no bids in the previous six months will be removed from the register for a period of six months. It will be up to applicants to reapply to join the list at the end of that 6 months. If an applicant's circumstances change within the six month period they will be able to submit a new application. As the policy began in its new form on 11 April 2013, the 6 month mark was not reached for non-bidders until 11 October 2013. Impact cannot be assessed at this time.

21 **Priority transfers**

Previously the 'Supply & Demand' category allowed for the move of tenants who under-occupied their homes. There is now a separate category of banding for under-occupation. Priority transfer is now awarded to tenants of full partners of DKO, when they move from a high demand property- and the stock in that area is of limited supply- to an area of lesser or equal demand. The criterion for determining demand is decided by each partner landlord and is published on the DKO website. The criteria will be reviewed every 6 months. Moves are only allowed under this band to each partners' own stock.

Since April only 4 of the 8 partners have awarded this band to applicants. Only 16 applicants have been awarded the band across the scheme in that time. This would suggest that partners do not feel confident awarding this banding and/ or do not feel they have any extremely high demand stock in the current climate. There have been 50 applicants in this category rehoused since April. There are now only 80 applicants left in this category, compared to over 200 in 2012.

Partners are in the early stages of discussing (at DKO Steering Group) of removing this award in 2014, as it may no longer serve a strategic purpose. Consultation would be carried out. DKO partners will continue to look to rehouse those currently in this banding with the support of the council's Under Occupation Officer and Housing Solutions Core Team.

22 **Armed forces**

Band C is now awarded for those who are leaving the Armed forces or have left in the preceding five years and who do not fall within the criteria of the homelessness legislation. This is light of new government guidance stating there should be increased awareness for this category of person. It recognises the contribution Durham County Council can make towards rebuilding the Armed Forces Covenant and acknowledges the obligation owed to members of the armed forces and their families.

There are only 18 applicants currently on the register with this award. The impact on lettings and other applicants is minimal. However, it stands those with an armed forces connection in a good position of being rehoused (band C receives a 40% quota of adverts compared to band D's 15%, which is the original award for armed forces) should they present to DCC and/ or DKO. Already, 7 applicants with this award have been housed since the policy was revised, over the last 6 months. In the previous 12 months, only 3 applicants with an armed forces connection were rehoused from band D.

23 **Discharge of Homelessness Duty**

The homeless duty was amended so that the time given to bid for a property within the scheme was reduced from 12 to 6 weeks. The duty is now brought to an end if the applicant secures a DKO offer, a registered provider makes a direct let or a suitable offer of private accommodation is made.

Since April 2013, 66 applicants have had their homeless duty discharged through a part 6 offer via DKO. A further 12 applicants had their duty discharged after refusing an offer. Housing Solutions requested the amendment and all partners, along with the Housing Solutions service, have expressed no issue with this revised aspect of the policy. Engagement with customers appears to have increased with the shortening of this time period but this needs further research over the course of a full year.

24 **Extra room eligibility**

In allocating accommodation it is now taken into account if the applicant is ill and has the need for an extra bedroom for a carer. Similarly the DKO lettings policy allows for the needs of foster carers or prospective foster carers/ adopting parents to have an extra bedroom. DKO acknowledges that this is not the necessarily the view taken by DWP, so foster carers may find themselves in the situation of, at times, under-occupying a property and suffering financially for that reason. The CLG Allocations Guidance advises that Discretionary Housing Payment may be available for these applicants.

There are currently 3 applicants on the register with an overnight carer, allowing for an extra bedroom beyond their normal need. There are also only 3 applicants on the register who are allowed an extra room for future adoption/fostering. The impact on other applicants and the partnership is miniscule, but the positivity for those applicants in their individual circumstance is great.

25 **Further details**

The CBL Co-ordinator states that all eight full partners and other RPs in County Durham have only expressed positive comments since April, regarding the revised policy. The DKO partnership would like to carry out a 12 month review of the policy changes in April 2014.

A copy of the Durham Key Options lettings Policy is available on the Durham Key Options Website at:
<https://www.durhamkeyoptions.co.uk/NovaWeb/Infrastructure/ViewLibraryDocument.aspx?ObjectID=449>

26 Recommendations

Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the review of the DKO Lettings Policy. It is also suggested that the Committee receives a further update on the operation of the lettings policy at a future meeting.

Background Papers

- Allocation of accommodation: guidance for local housing authorities in England, CLG June 2012.
- Durham Key Options Lettings Policy Version 1, April 2013.
- Abris v7 software system.

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Appendix 1: Implications

Finance – There are no financial implications.

Staffing – There are no staffing implications.

Risk - Risks should be minimal as these are minor changes to an existing policy.

Equality and Diversity – An EIA of the CBL scheme was undertaken.

Accommodation - None.

Crime and Disorder - None.

Human Rights - None.

Consultation - Consultation was undertaken with key stakeholders.

Procurement - None.

Disability Issues – None.

Legal Implications - Legal implications of the proposed changes were taken on board in the development of the proposals.