

Economy and Enterprise Overview and Scrutiny Committee

8 January 2015



Durham Key Options (DKO) Update:

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

Purpose of the Report

1. This report is to update the Economy and Enterprise Overview and Scrutiny Committee on the performance of Durham Key Options (DKO) Choice Based Lettings.

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 merging the old district boroughs regions under the same lettings scheme to make social housing more affordable and easily accessible for applicants. The scheme has continued to grow and develop delivering a high standard to customers, with all partners following one policy for assessments of housing need and allocations. The partners consist of:
 - Accent Foundation (full partner since April 2013)
 - Cestria Community Housing Association (full partner since 2010)
 - Dale and Valley Homes
 - Derwentside Homes
 - Durham City Homes
 - East Durham Homes
 - livin
 - Teesdale Housing Association
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 Bands are as follows:

Band A

Applicants within this band will receive priority for all eligible properties in the first instance as follows:

- Regeneration schemes within County Durham
- Urgent medical reasons
- Priority transfers (full DKO partner only)

Band B

- Applicants Overcrowded by at least two bedrooms
- Applicants who are under occupying by two or more bedrooms (full DKO partner only)
- Applicants who need to move due to high medical need as outlined in Appendix 2 of this policy
- Homeless applicants – accepted as statutorily homeless with a full duty to be housed
- Applicants living in intensive supported housing where their support plan identifies that they are ready to move on into an independent tenancy
- Care Leavers

Band C

- Applicants occupying unsanitary, overcrowded (one bedroom short of requirements) or otherwise unsatisfactory housing
- Applicants who are under occupying by one bedroom (full DKO partner only)
- Applicants who need to move due to medical or welfare grounds in accordance with the medical framework for medical priority found in Appendix 2 of this policy
- Applicants with a connection to the armed forces (if they do not fall within the criteria of the homelessness legislation) and fall into one of the following categories:

- Discharged from the armed forces within the preceding five years and have served three years or longer, or who have been medically discharged (excluding those dishonourably discharged)
- Current armed forces or current/ former reserve forces and *have been injured in service and this injury has resulted in existing accommodation being unsuitable.*
- Widowed/widowers/civil partners of a member of the armed forces killed in service and are *moving for the first time due to the death of their partner.*
- Applicants who need to move to a particular locality to avoid hardship
- Non-statutory homeless

Band D

- Applicants wishing to live independently with no other housing need
- Applicants needing larger accommodation (outside of the overcrowding criteria) with no other housing need
- Relationship breakdown with no other housing need
- Applicants threatened with homelessness within three months, in order to prevent actual homelessness

Band E

- Applicants who are adequately housed and have no housing need

7. To ensure all applicants are allocated accommodation across the bands, the follow quota system is in operation. Band A – priority for all property. Band B 45%, Band C 40% and Band D 15%.

Performance:

8. There are currently (December 14)14,190 applications on Durham Key Options with 11,957 active and able to bid. This compares to 15,457 in April 2014 with 11,385 of those active.
9. The table below shows the number by partner where the application is active (able to bid) pending enquires (for example, waiting information form the applicant to progress the application) or suspended, due to rent arrears or anti-social behaviour etc.

Register on 01/12/14:

Durham Partner To Process	Active	Pending enquiries	Suspended	Grand Total December 14	Total April 14	% + -
Accent Foundation	50	3		53	74	-28.37
Cestria Community Housing Association	1621	456	12	2089	2172	-3.82
Dale and Valley Homes	1352	243	6	1599	2088	-23.41
Derwentside Homes	2501	648	5	3152	2764	+14.03
Durham City Homes	1908	209	60	2124	2248	-5.51
East Durham Homes	2381	180	7	2564	3130	-18.08
livin (Formerly SBH)	1847	425	28	2273	2611	-12.94
Teesdale Housing Association	297	39	10	336	367	-8.44
Grand Total	11957	2196	128	14190	15457	-8.19

10. The table above shows the register has decreased by 8.19% (15457 to 14190) over the period April 14 to December 14 with Dale & Valley Homes seeing the largest decrease (-23.41%) and Accent Foundation (-28.37%); although with only 53 current applicants down from 74. Derwentside Homes has been the only provider with an increase (+14.03%) to 3152 from 2,764.

11. Whilst a decrease may be surprising it is as a consequence of the introduction of the new allocations policy, including the need for applicants to register annually and limited to three refusals of bids. This has resulted in a slightly smaller yet more active and accurate scheme, with 572 more active applicants on the scheme in December 2014 compared to April 2014.

12. The table below shows the number of applicants by partner active on the 1st December 2014 by Band. It is noted that the majority of applicants have been banded within the 'additional or reasonable preference' bands. These are applicants where their housing need, by law, must be reflected in the priority given for social housing. These are applicants allocated Bands A, B, C, accounting for 7,294 of the 11,885 active applicants.

Register 01/12/14 by band (Active state only)

Durham Partner To Process	A	B	C	D	E	Grand Total
Accent Foundation		1	14	5	30	50
Cestria Community Housing Association	36	178	610	284	506	1614
Dale and Valley Homes	15	111	568	199	445	1338
Derwentside Homes	79	201	983	335	885	2483
Durham City Homes	54	226	612	404	604	1900
East Durham Homes	23	187	866	350	938	2364
livin (Formerly SBH)	69	231	692	295	555	1842
Teesdale Housing Association	5	16	85	60	128	294
Grand Total	281	1151	4430	1932	4091	11885

13. The table on the following page shows a breakdown of active applicants, by partner and by Band. The Banding of applicants across the partnership shows a clear uniformity across the bands with only marginal differences within the reasonable and additional preference groups.

14. Each partner is subject to annual Banding Reviews (audits) by the Housing Solutions Core Team to ensure that partners are applying the assessment of applicants housing needs in line with the allocation policy. This overview, underpinned by an Operational Steering Group, ensures equity across the partnership in the application of the Council's allocations policy.

Register by banding reason, Active state only (01/12/14)

Banding Reasons	Accent	Cestria	DVH	Derwentside	DCH	EDH	livin	Teesdale	Grand Total	% of register
Regeneration scheme within County Durham		24	1	2		1	10	2	40	0.3%
Urgent medical reasons		23	14	73	59	27	52	7	255	2.2%
Priority transfers				1	5		4		10	0.1%
Band A	0	47	15	76	64	28	66	9	305	2.6%
% of partner assessments in band	0.0%	15.4%	4.9%	24.9%	21.0%	9.2%	21.6%	3.0%		
Accepted as statutorily homeless		4	3	2	7	9	2		27	0.2%
Need to move due to high medical need	1	112	84	147	138	101	186	15	784	6.6%
Overcrowded by at least two bedrooms		28	9	22	29	33	18	3	142	1.2%
Under Occupying by two bedrooms (full DKO partner)		29	13	16	13	30	9	3	113	1.0%
Care leavers		1	3	5	5	3	2	2	21	0.2%
Living in intensive supported housing		15	7	1	29	7	4		63	0.5%
Band B	1	189	119	193	221	183	221	23	1150	9.7%
% of partner assessments in band	0.1%	16.4%	10.3%	16.8%	19.2%	15.9%	19.2%	2.0%		
Move to a locality to avoid hardship		28	7	53	29	23	13	4	157	1.3%
Non statutory homeless		6	11	16	8	13	8		62	0.5%
Need to move on medical or welfare grounds	6	338	410	665	373	640	470	76	2978	25.2%
Occupying unsanitary, overcrowded or unsatisfactory housing	1	120	84	152	130	162	126	7	782	6.6%
Under Occupying by one bedroom (full DKO partner)	4	92	49	67	71	92	76	11	462	3.9%
Leaving the armed forces and you do not fall within homelessness legislation			1	6	5	4	1		17	0.1%
Band C	11	584	562	959	616	934	694	98	4458	37.8%
% of partner assessments in band	0.2%	13.1%	12.6%	21.5%	13.8%	21.0%	15.6%	2.2%		
Threatened with homelessness within three months		27	18	41	27	13	5	17	148	1.3%
Relationship breakdown with no other housing need	1	41	38	54	91	54	37	6	322	2.7%
Need larger accommodation with no other housing need	1	37	29	17	51	48	41	7	231	2.0%
Wishing to live independently with no other housing need	3	177	104	216	233	257	195	23	1208	10.2%
Band D	5	282	189	328	402	372	278	53	1909	16.2%
% of partner assessments in band	0.3%	14.8%	9.9%	17.2%	21.1%	19.5%	14.6%	2.8%		
Band E: Adequately housed and have no housing need	24	498	423	871	587	909	538	124	3974	33.7%
% of partner assessments in band	0.6%	12.5%	10.6%	21.9%	14.8%	22.9%	13.5%	3.1%		
Grand Total	41	1600	1308	2427	1890	2426	1797	307	11796	100.0%
Reasonable preference assessments	8	659	622	1130	773	1008	875	112	5187	44.0%
Reasonable preference %	19.5%	41.2%	47.6%	46.6%	40.9%	41.5%	48.7%	36.5%		
Difference from partnership %	-24.5%	-2.8%	3.6%	2.6%	-3.1%	-2.4%	4.7%	-7.5%		

15. As of the 1st December 2014 89% of the register we eligible to bid for 2 bed roomed property and 65% for 1 bed. The table below shows the number of people housed through Durham Key Options during 2013/14.

Number of people rehoused through DKO in 2013-2014:

Band	1 Bed	2 Bed	3 Bed	4 Bed	Grand Total
A	83	243	20	3	349
A+		2			2
B	218	423	134	21	796
B+		1			1
C	500	1005	514	37	2056
C+	7	16	3		26
D	115	476	264	5	860
E	129	362	453	1	945
F	3	4	3		10
Grand Total	1055	2532	1391	67	5045

Nb. Bands A+, B+, C+ and F ended on 11/04/13

16. 5,045 people were housed by Durham Key Options during 2013/14. The majority (2056) housed within Band C with 2,532 - 2 bed properties being the most let property type. Livin provided the largest number of properties let (1,080) followed by East Durham Homes (977) and Derwentside Homes (716). There has been a 5.6% increase in people housed over the year in comparison to the previous 12 months.
17. The annual lets to reasonable preference groups was 54%- a drop from previous year (63%) that is partly accounted for by the inclusion of Under Occupation banding in April 2013 for those with spare bedrooms (this is not a reasonable preference group). Whilst 65% of the register is eligible for 1 bed property (9,210 applicants – as applicants can be eligible for a number of property types) only 1055 1 bed properties were let over the period.
18. Within the partnership existing tenants are also able to transfer from one property to another social housing tenancy. The table on the following page show the number and type of transfers during 2013/14. In total 1,520 tenants transferred. 183 moved from a 2 bed property to a 1 bed property and 106 from a 3 bed to a 1 bed, showing those downsizing. However, there we also 98 upsized from a 1 to a 2 bed and 208 from a 2 to a 3 bed.

Number of transferring social tenants in County Durham 2013-14

No Of Bedrooms Main App Current occupying	Bed size moved to				Grand Total
	1 Bed	2 Bed	3 Bed	4 Bed	
unknown	13	5	6		24
1	108	98	5		211
2	183	277	205	2	667
3	106	257	197	22	582
4	7	16	10	3	36
Grand Total	417	653	423	27	1520

19. The rent lost due to void (empty homes) against total rent debit 13/14 stood at £3,588,469.06 across the partners as can be seen below. The partnerships target for rent loss is 2% for 13/14 with performance at +0.12%. However, it should be noted that performance last year was 1.2% and over the period Discretionary Housing Payments fund allocated to Durham County Council has increased to £1.2 million to offset rent loss due to the under occupation charge.

Provider:	Void loss	Rent debit	%
Accent	£426,623.28	£48,14235.77	8.86%
Cestria	£380,777.16	£30,373,786.23	1.25%
Dale and Valley	£804,574.50	£28,601,622.15	2.81%
Derwentside Homes	£486,914.00	£27,872,410.00	1.75%
Durham City Homes	£322,632.61	£21,521,884.88	1.50%
East Durham Homes	£437,833.51	£28,480,242.27	1.54%
livin	£686,532.00	£24,431,743.77	2.81%
Teesdale	£4,2582	£31,683,94.00	1.34%
Total	£3,588,469.06	£169,264319.07	2.12%

Summary:

20. Over the past year the partnership has successfully implemented the new allocations policy to reflect the additional and reasonable preference groups. From April to December 2014 the number registered on the scheme has decreased by 8.19% to 14,190 with 11,957 active to bid for a new home. Over the period however, 5,045 people have been housed an increase of 5.6% on the 2012/13.

21. Whilst this report has focused on updating members on the activity of social housing providers within the Durham Key Options Scheme, work continues to expand the scope of the scheme to offer a mix of housing options. Over the period this has included developing partnerships with private landlords with 54 now engaged and advertising properties via Durham Key Options, and increase from only 8 in 2012/13. This will assist in further development plans in 2015 linking Landlord Accreditation and support to the allocation of Private Rented Sector Homes within Durham Key Options in partnership with colleagues in the Private Sector Housing Initiates Team.

Recommendations

22. Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided within the report.

23. That the Economy and Enterprise Overview and Scrutiny Committee receive a further update report at a future meeting of the Committee.

Background papers

Economy and Enterprise Overview and Scrutiny Committee – Update report
On DKO – 21 October 2013.

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Appendix 1: Implications

Finance – None

Staffing –None

Risk – None

Equality and Diversity – None

Accommodation - None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement – None

Disability Discrimination Act –None

Legal Implications – None