

Sept 2015

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Partners in the Thirteen Group



Compass sub-regional choice based lettings scheme

• Background

- Tees Valley Sub-Regional Choice Based Lettings
- Government set target for all local authorities and Registered Providers to introduce CBL by 2010 working in sub-regional partnerships
- The partnership is made up of 5 Local Authorities and 8 Registered Providers
- Common allocations policy – (with some minor local variances)
- Web based system



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Allocations approach



- Properties advertised on a weekly basis on CBL (system led with no immediate relets)
- Large registration form to complete (not customer friendly)
- Customer perception (I won't qualify for a property)
- Lack of awareness (What is Compass?)
- Marketing properties via rightmove, open days, Leaflet drops, local businesses, free papers and events
- Systems thinking approach in our past history

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Challenges

- Welfare reform – predictable impacts?
- Increase in the private sector – Does this matter?
- Customer exercising choice – What choices do they have ?
- Easy to do business with – Question “ are we “?
- Our data and use of it – what do you have and what is it telling you?
- Demographics – what do we know and what does it mean



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Consultation

- **Proposed changes:**
- We are proposing to make the following amendments to how we allocate properties on the allocations scheme.
- Enable a property to be added to the Compass scheme any day of the week.
- To advertise properties for one week or longer (if no one has bid).
- Properties will be advertised for longer than a week (a continuous cycle) if there has been no “bids” (expressions of interest) until a bid has been received.
- After a week’s advertising cycle the landlord has the facility to end and allocate the property if there is a customer interested for an immediate offer of accommodation, meeting the policy and property criteria.

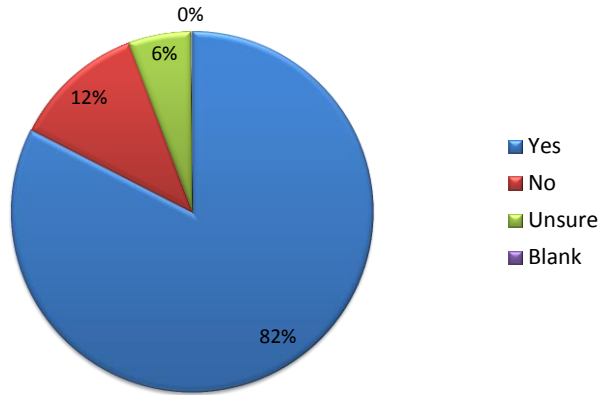
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- Allow customers to make unlimited bids for available properties to maximize their chance of qualifying for a property. (Remove the current 3 bid restriction).
- Take details of customer’s areas of choice to enable an auto bid function for any properties not being advertised for a full week to ensure no one waiting on this area or property type will miss out on an offer.
- In specific circumstances some immediately available properties may be advertised on the system allowing for an immediate allocation by triggering an auto bid facility.
- The policy review has taken into account existing housing legislation; statutory and regulatory guidance.

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Consultation results – Question 1 - any day advertisements

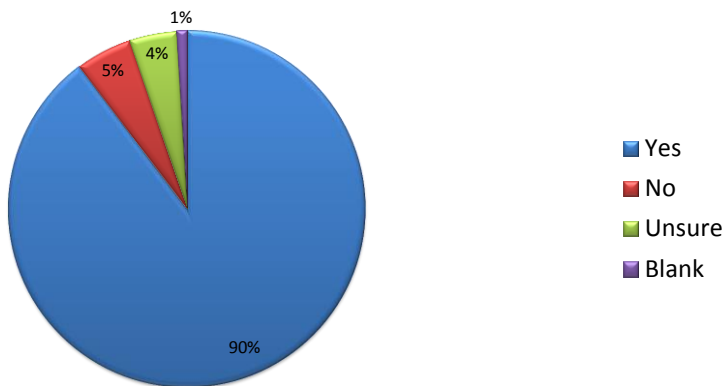
• Do you agree that properties should be advertised on any day of the week?



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Consultation – Question 2 - Continuous cycle

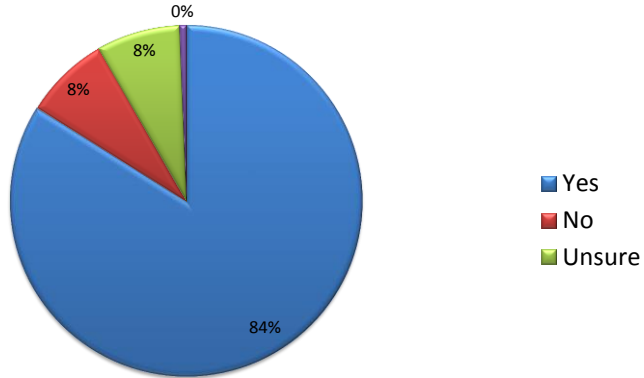
Q2. Do you agree that properties can be advertised on a continuous cycle if there is no demand?



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Consultation – Question 3

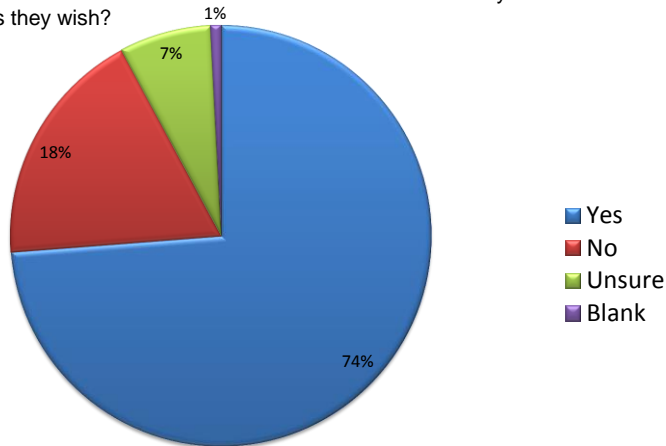
- Do you agree when a property has been advertised for a week and received no bids it can be allocated to the next person meeting the criteria?



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Question 4 -

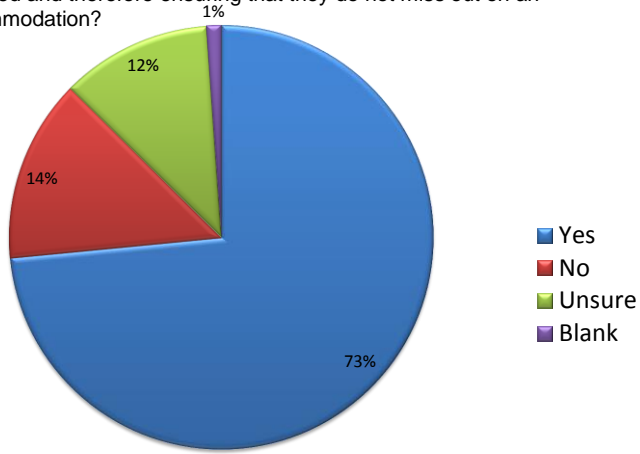
- Q4. Do you agree that the restriction on the number of bids you can place (currently 3) should be removed so customers can bid on as many available properties as they wish?



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Consultation – Question 5

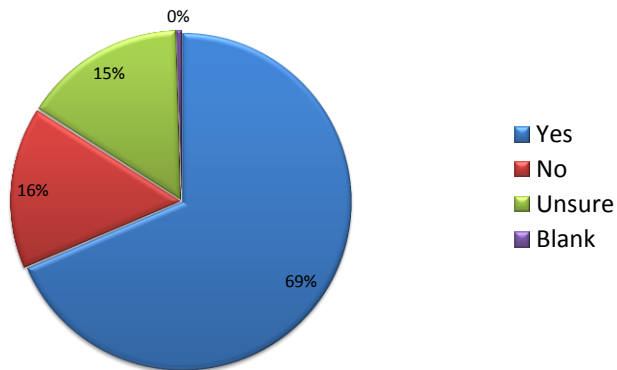
- Q5. Do you agree that customers should be asked to provide more detail on all their areas of choice and property requirements so that an automatic bid can be triggered and therefore ensuring that they do not miss out on an offer of accommodation?



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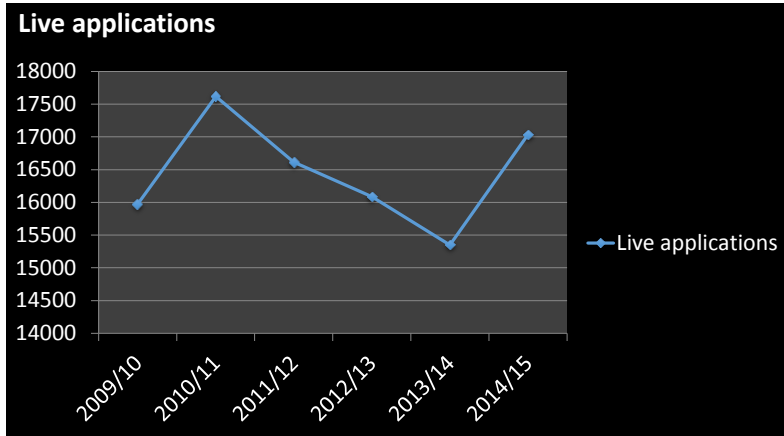
Consultation – Question 6

- Q6. Do you agree if a property is immediately available to let that the landlord can make an immediate allocation by creating a shortlist directly from Compass using the automatic bid facility as described in question 5 (Note – the shortlist will still be



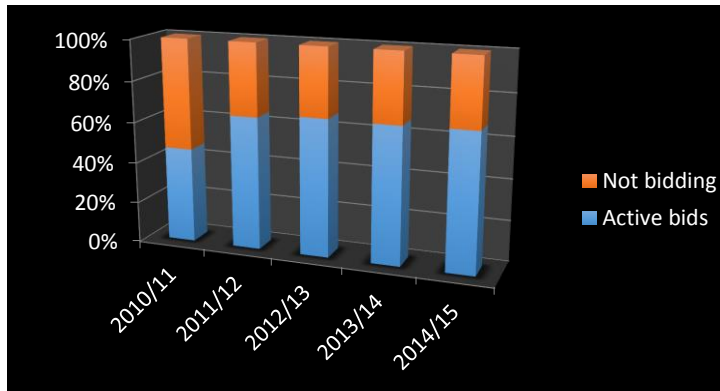
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Where have all our customers gone? Compass all partners applications



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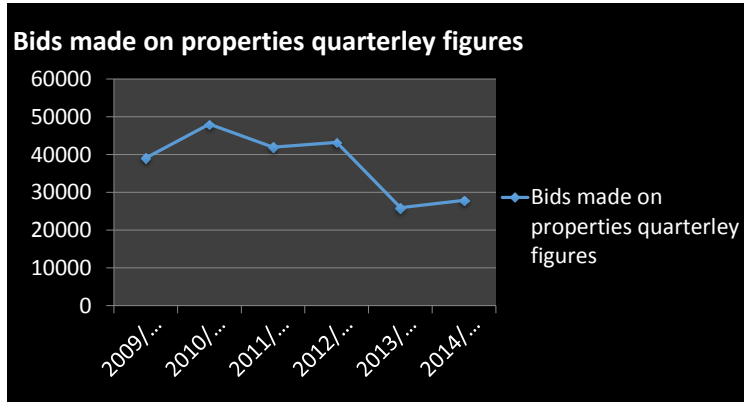
December 2014 – 33% customers not bidding for available properties



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Where have all our customers gone ? Compass - bids made on all properties

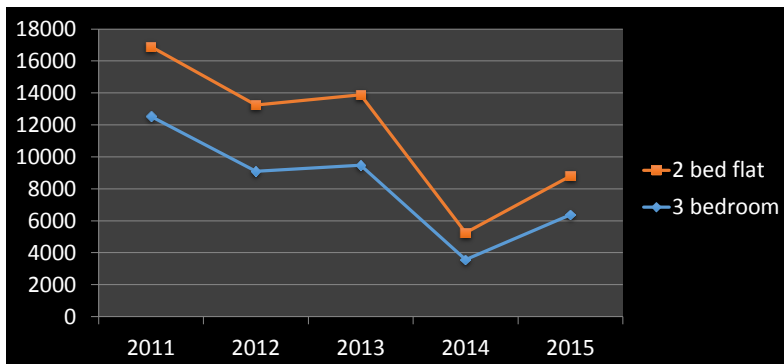
There has been a 42% decrease in bids placed on all properties from 2010 (highest point) compared with the latest data in 2014



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Where have our customers gone ?

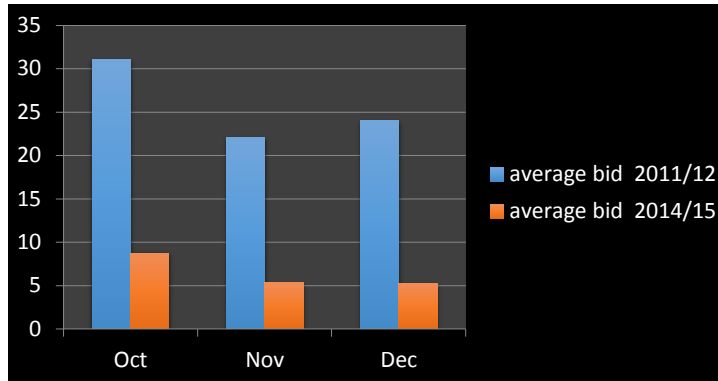
Reduction in bids placed
2 bedroom houses
2 bedroom flats



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Average bids for 3 bedroom properties

In 2012 we had an average of 20 – 30 bids per property, this has reduced to between 5 – 9 bids in 2014.



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Private Sector

- How do you see the sector?
- Competition or appealing to a different market?
- We have seen the PS growth by over 13% in the last 3 years. In Middlesbrough that's the fastest rate nationally




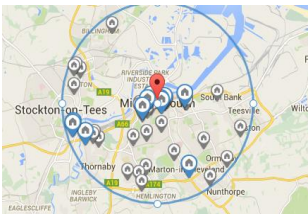
- Responsive to the market and flexible on rents. Offer incentives and rents that can secure a Tenant
- Flexibility around the bond



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Private Sector - Offer

- Rents set in line with the Local Housing Allowances (LHA) with the flexibilities for reducing to the awarded LHA rate. Allowing households that additional bedroom
- Available now! No delays with lengthy registration processes
- Private landlords becoming more agile at responding to external changes targeting gaps in provision, (shared tenancies)
- Not all good still some rogue landlords 
- Eviction, end of AST one of the main causes of homelessness, is this a temporary fix for households on Welfare?



Local Housing Allowance rates	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
Shared accommodation rate	£56.21	£56.77
1 bedroom rate	£80.55	£80.56
2 bedrooms rate	£96.71	£97.68
3 bedrooms rate	£114.23	£114.23
4 bedrooms rate	£150.00	£150.00

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Private rented sector offer

3 bedroom semi-detached house to rent

£104 pw | £450 pcm

Chesterwood, Thorntree, Middlesbrough, TS3 9RP

fees apply



Letting information:

Furnishing: Unfurnished
 Added on Rightmove: 18 February 2015 (1 day ago)

Key features

- SEMI DETACHED HOUSE
- 3 BEDROOMS
- GAS CENTRAL HEATING
- DOUBLE GLAZING
- FRONT & REAR GARDENS
- DRIVEWAY
- DSS WELCOME
- ENERGY RATING C



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Private rented sector offer

3 bedroom terraced house to rent

Denton Close, Hardwick, Stockton-On-Tees, TS19 8NF

£104 pw | £450 pcm

fees apply



Letting information:

Furnishing: Unfurnished
Added on Rightmove: 20 February 2015 (7 hours ago)

Key features

- MID-TERRACED HOUSE
- KITCHEN/DINER
- SECURITY ALARM
- DSS CONSIDERED WITH GUARANTOR
- 3 BEDROOMS
- FRONT & REAR GARDENS
- UPVC DG & GCH
- BOND £450



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Upping our game

So how have we responded :

- ✓ Review of CBL and proposed new approach
- ✓ Marketing capturing a larger audience
- ✓ Social media – connecting with all our customers
- ✓ Incentives – making our homes competitive.
- ✓ Sustaining tenancies- “support to stay”. Reducing terminations by 1% saves £750K
- ✓ Help with Spare Bedroom Subsidy
- ✓ Viewing debt differently
- ✓ New homes assessments- Where we build and why

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Thirteen typical property advert - rightmove

2 bedroom apartment to rent

£106 pw | £459 pcm

Aspen House Grove Road Brandan Durham DH7 8AR



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Thirteen typical property advert - rightmove

1 bedroom apartment to rent

£74 pw | £321 pcm

Fulbeck Road, Middlesbrough, TS3



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Thirteen typical property advert – rightmove

2 bedroom apartment to rent

£126 pw | £546 pcm

Hutton Court, Hartlepool, TS26



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- What we are asking our people to do is think differently, measured in a different way and be confident that they can make the right decisions. We accept that we don't always get it right
- Easy to do business with and relevant
- Work on our image. What are we good at? Find and appeal to new markets.
- Allocations systems that are proactive and recognize a diverse range of customer needs and wants. Its that personal touch and delighting customers
- Our price need to be reflective of local markets

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Too many homes and not enough customers

Yes.....

Reduced demand across the board but local variations

Location, location, location

Too many larger homes that customers cant afford

Reduction in large scale regeneration and demolition schemes not helping

And No.....

New and changing customer base

Target towards new groups

Incentives just working through system

Get rid of allocations based on process and "love" new customers

Is our price too high in some areas

Investments in tenancy sustainment just coming through

Still developing new homes

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