
Meeting: Social Care Health and Housing Overview & Scrutiny Committee

Date: 24 January 2011

Subject: Review of Choice Based Lettings and Changes to Allocations Policy

Report of: Councillor Mrs. Rita Drinkwater, Portfolio Holder for Housing

Summary: This report provides Members with an update of Choice Based Lettings, a scheme for allocating social housing and to comment on the changes to Allocations Policy, a framework for determining priorities for social housing.

The report also considers the proposed changes to the Sub Regional Allocations Policy.

Advising Officer: Julie Ogley, Director of Social Care Health and Housing

Contact Officer: Hamid Khan, Head of Housing Needs

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATION:

- 1. That the Social Care Health and Housing Overview & Scrutiny Committee note the contents of this report for information.**
- 2. That the Social Care Health and Housing Overview & Scrutiny Committee gives its support to the changes to Allocations Policy and recommend that they are endorsed by the Executive**

Reason for Recommendation: So that Members of Social Care Health and Housing Overview & Scrutiny Committee can contribute to the further development of CBL and Allocations Policy

CORPORATE IMPLICATIONS

Council Priorities:

CBL and the Sub Regional Allocations Policy will contribute to the managing growth effectively priority.

Financial:

If Members wish to pursue the Village Sustainability principle with the Allocations Policy then there will be direct cost of £20k to fund software changes which will require new or resource realignment from the General Fund.

Legal:

The Policy complies with the Housing Act 1996, Part VI and the relevant Statutory Instruments.

Risk Management:

There are no risk management issues arising directly from this report

Staffing (including Trades Unions):

There are no direct staffing implications

Equalities/Human Rights:

Central Bedfordshire Council has a duty to promote the equality of race, gender and disability, and to tackle discrimination experienced by other vulnerable groups. Vulnerable groups could include older people, disabled people, people with low levels of literacy, people from poorer socio economic groups, people experiencing domestic violence, some people from ethnic minority communities including migrant workers and Gypsies and Travellers, and people from lesbian, gay, bisexual and Transgender communities.

The Allocations Policy has the potential to tackle inequality by focusing on ensuring that the diverse housing needs of customers can be met across Central Bedfordshire, whilst increasing customer choice and control, and promoting high quality Sustainable homes.

Community Development/Safety:

The Allocations Policy will contribute to creating more settled and safer neighbourhoods where good quality housing will contribute to the improvement in the health and well being of households

Sustainability:

The outcomes of the Allocations Policy is to provide long term sustainable homes for a variety of households, thus contributing to longer term economic stability and indirect investment to local infrastructure

Introduction and Overview of Choice Based Lettings

1. In June 2009 Bedfordshire Home Finder was launched in Central Bedfordshire. This Sub Regional choice based lettings scheme (CBL) in partnership with Aragon Housing Association, Bedford Borough Council, Luton Borough Council and Bedfordshire Pilgrims Housing Association, introduced a new way of allocating social homes across Bedfordshire. Underpinning the scheme was a Sub Regional Allocations Policy, developed by all the Partners. It was agreed by the Partnership that the Policy will be reviewed twelve months after its launch in June 2009.
2. The Partners have agreed the following outcomes and objectives for CBL:-
 - Widen customer choice and control for all households in housing need
 - A tool to prevent homelessness
 - Support the most vulnerable and marginalised households so they too have greater choice in how their needs are met.
 - Provide better information about available homes and in particular, about homes that are adapted or suitable for those with special needs such as wheelchair users
 - Provide access to housing across all tenures. Including access to social renting, intermediate housing and private renting. Make the lettings process easier to understand, so that applicants can make a realistic assessment of their prospects for obtaining housing of different tenures
 - Minimise wasteful administration of social housing applications.
 - Minimise the time that homes are empty.
 - Work in partnership across the Sub-Region to share resources and expertise, and to extend choice and mobility.
3. The Sub Regional Partnership Board monitors CBL's performance, effectiveness and evaluates its outcomes. Key Performance Indicators are used to measure each partner's individual performance as well as the collective performance of the scheme. Work has already been undertaken to benchmark the performance of Bedfordshire Home Finder with similar sized Sub Regional Schemes across England.
4. In total there are 10,419 people registered for social housing across the partnership. A good indicator of success of the scheme is the bidding activity of customers using choice based lettings. Since 2009 there have been 118,525 bids placed by customers, averaging 6,685 bids per month. A 55% participation rate is seen as high when compared to other similar sized CBL schemes. The non participation rate of 45% is also good performance in comparison with other similar sized CBL schemes. The table overleaf gives a representative snapshot of bidding activity across the partnership and gives a good indication of the levels of bidding activity across all the priority bandings

Band	Number		Bids	Non-Bidders		Successful Bidders		
	Total	% of total	Number of Bids Placed	Number Not Bidding	%age of band	Total	% of band /need	% of successful bidders
Band 1	12	0.1%	17	0	0%	4	33.3%	1%
Band 2	863	8%	1567	413	48%	206	23.9%	31%
Band 3 8 Needs	2	0.0%	3	0	0%	0	0.0%	0%
Band 3 7 Needs	12	0.1%	83	0	0%	7	58.3%	1%
Band 3 6 Needs	97	1%	438	17	18%	37	38.1%	6%
Band 3 5 Needs	188	2%	844	32	17%	74	39.4%	11%
Band 3 4 Needs	228	2%	871	56	25%	68	29.8%	10%
Band 3 3 Needs	1160	11%	4713	373	32%	99	8.5%	15%
Band 3 2 Needs	2570	25%	10480	830	32%	79	3.1%	12%
Band 3 1 Need	1635	16%	3697	766	47%	28	1.7%	4%
Band 4	3646	35%	7021	1991	55%	60	1.6%	9%
Total	10413		29734	4478	43%	662	6.4%	

Bidding activity between September 2010 and December 2010

This table is also representative of bidding activity across Central Bedfordshire.

- In order to gauge that actual housing need is being met, CBC has focused on households in Band 3, 2 Needs as an indicator that best reflects those households at the margin of the scheme, but nonetheless makes up a proportionately higher percentage of the housing register. By focusing on this group it allows analysis of an outcome based measure, that is the number of people in that Band actually housed. For 2009/10, 42% of this group were successful in finding accommodation through CBL. It has to be noted that this figure has now declined to 5% in December 2010 as there are fewer properties available to rent.
- 98% of bidding is conducted via the web and telephone and text bidding account for 1% respectively. Across the age groups this method of bidding is consistent. However, as is shown in the table below, there is an issue of the relatively high numbers of non bidders in the older age groups:

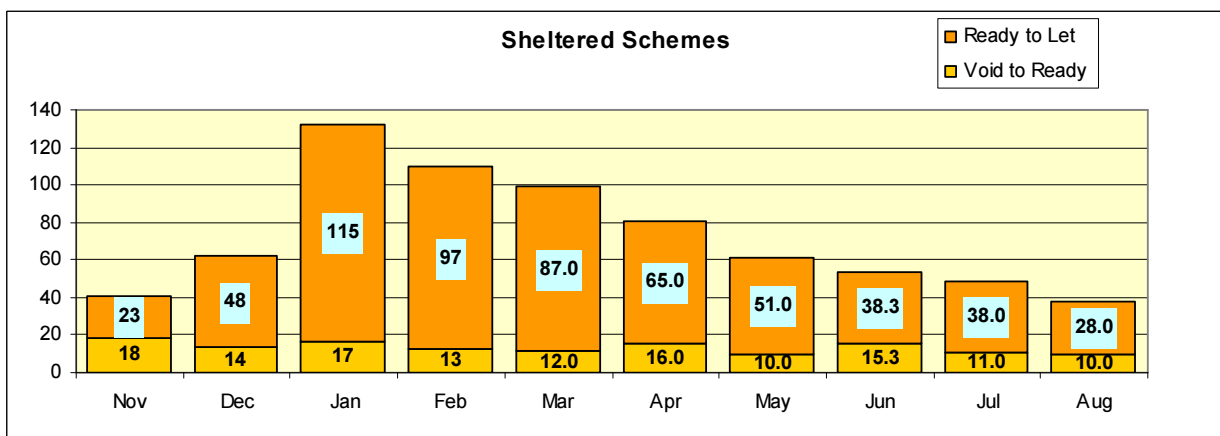
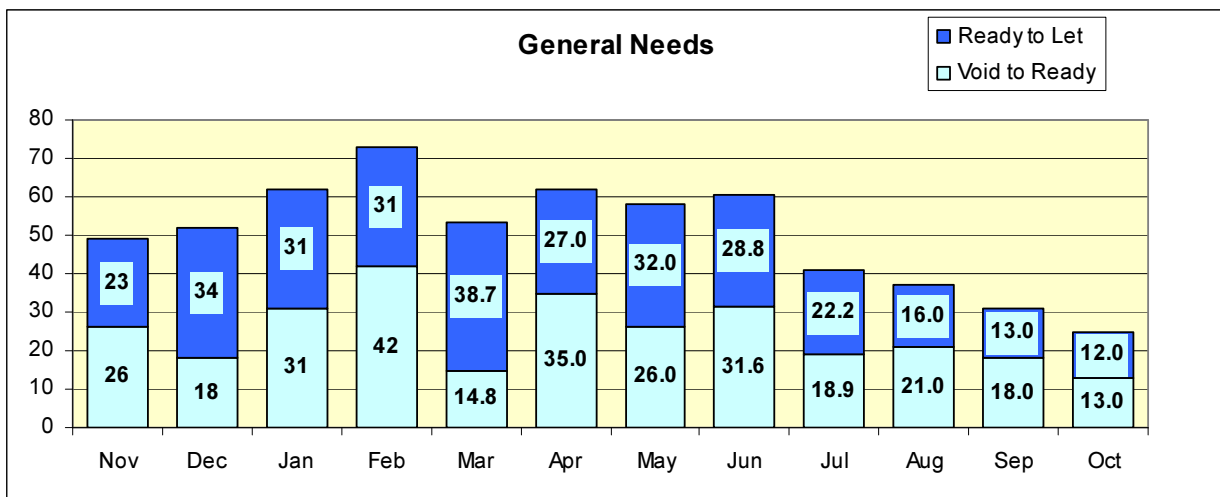
Age	Number		Non-Bidders	
	Total	%age of register	Total	%age of age group
16-24	1620	16%	613	38%
25-39	4311	41%	1585	37%
40-59	2982	29%	1355	45%
60-79	1183	11%	716	61%
80+	323	3%	228	71%
Total	10419		4497	43%

- Although the numbers are for the whole partnership, CBC actually consistently performs better in terms of non bidders in the older age groups with performance on average around the 55% mark. The Partnership has now set up a special task group to look at the whole issue of improving bidding activity, especially among older customers.

Feedback from older customers does suggest that often they feel that the properties they are looking at do not meet either their aspirations or needs in terms of disability. As a result the partnership is working towards the introduction of an Accessible Housing Register that will match existing adapted homes to those customers with specific requirements for such properties.

8. In terms of equalities, CBL is broadly representative of and reflects all groups that have applied to the housing register. Monitoring has shown that there is no unequal distribution of housing to any one specific group or groups. In terms of access and outcomes all groups are proportionately successful. CBC has achieved broad success in encouraging applications from marginalised groups, for example the proportion of BME applicants on the register had been around 3% and is now 8%. Work is continuing in the Partnership to ensure better access for all groups and to make sure groups are given an opportunity to apply for housing.

9. CBL has also had a positive effect on the void periods of properties within CBC's own Council stock. By ensuring properties remain empty for only minimum periods the Council can maximise rental income, reduce repair costs of properties remaining empty and increase customer satisfaction. The table below shows how performance has improved for both general needs housing and sheltered housing in 2010.



As seen above the total void period for general needs is now only 25 days (upper quartile performance) and 38 days for Sheltered Housing. This huge improvement in performance has also been assisted by a dedicated focus on void performance.

10. There is no doubt that CBL has contributed to the prevention of homelessness, as many households that may have applied as homeless have been persuaded to bid through CBL to resolve their housing need. This can be further evidenced by the fact CBC has, through a variety of homelessness prevention techniques, kept the use of temporary accommodation low.
11. The CBL scheme encourages cross border mobility to promote choice for customers. All partners have to put 10% of their available lets for cross border mobility and these are randomly selected by the Home Connections system that runs the CBL scheme.

Cross Border Allocations

	Aragon HA Applicant	CBC Applicant	Bedford/ bpha Applicant	Luton BC Applicant
Central Beds Property			13	26
Bedford Property	5	2		14
Luton Property	2	9	8	
Total	7	11	21	40

Cross Border Allocations Sept 10 – Dec 10

The table above is a representative snapshot of cross border lets during the last quarter. As can be seen the numbers are relatively low, but it is clear that CBC does take a net inflow of applicants from Luton. It must be stressed that in 2010 the numbers have been low and in one or two quarters CBC has exported more customers than have been imported on the scheme.

Sub Regional Allocation Policy.

12. The attached Appendix A outlines the Policy changes that the Sub Region wishes to make to the existing Policy. The changes have been subject to a broad public and partner consultation and have undergone an Equality Impact Assessment (EIA) by the CBL Partnership Manager. If adopted CBC will conduct another EIA to measure its effects on the people of Central Bedfordshire.
13. Due to the geographical composition of Central Bedfordshire, the Council has asked Sub Regional Partners to consider the case for incorporating the principle of village sustainability in the allocation of affordable homes through choice based lettings. This would only mean those households who would qualify getting a marginal, extra need to assist them staying closer and supporting their villages
14. There are a number of fundamental issues at the heart of the sustainability of villages and they are all affected by key housing, economic and affordability issues. For example in the last decade the rural population has increased 7% compared to 3% in urban areas. In 2007 non-market affordable housing made up 13% of housing in rural areas, compared to the 1980 figure of 25%. Average house prices are £8000 more in rural areas than in urban. 28% of rural people are defined as low paid compared to 18% in urban areas.
(Figures from The Taylor Review – Living Working Countryside)
15. Current statutory guidance on social housing allocations for local authorities in England (Fair and Flexible 2009), gives greater scope for councils to meet local needs and priorities through their allocation policies. It strengthens councils' freedom to give greater weighting to specific local needs alongside those households who have 'reasonable preference'.

In some areas this will mean giving more priority to people who have been on waiting lists for a long time or more priority for people with strong local or family connections. Elsewhere, there may be a greater need to support people in low paid work.

16. The Partnership has agreed to carry out more work and research to explore the viability of village sustainability. There are however some issues of concern. For example, defining those who are likely to qualify, what constitutes a “village” in terms of size, the administrative cost of such a scheme. In order for the software CBL uses to be upgraded to incorporate a village sustainability change would cost in the region of £20K. Partners have indicated that this cost would have to be fully absorbed by CBC. This funding would have to be found from elsewhere in the General Fund and is over and above any base budget for CBL. Also from the initial research into this it is not likely to affect more than half a dozen cases in any one year. The Committee’s views on this issue would be most welcome.
17. The Localism Bill, combined with the ‘Fair and Flexible’ statutory guidance has now paved the way for the Council to re-think its future in terms of how it decides its strategic view on the criteria it uses to deal with the pressing housing needs in its area. For example, it may wish to incentivise and encourage good behaviour by giving households with a history of a clear rent account and/or no anti social behaviour a greater priority in moving home. It may wish to prioritise and encourage those who have secured work in the area with greater priority for social housing. The possibilities are extensive and can be explored in the future if Members wish.

Conclusion

18. Choice Based Lettings has been a success and is meeting the outcomes it was designed to achieve. However, ultimately its success is limited to the number of properties available for rent. Work is underway to incorporate private sector properties into CBL thus further increasing the choice for customers.

Appendices:

A – Proposed Changes to the Sub Regional Allocations Scheme

Background Papers: (open to public inspection)

None

Location of papers: Priory House, Chicksands

Proposed Changes to the Sub Regional Allocations Scheme

Aims of the policy review:

- To meet legislative requirements and incorporate new statutory guidance
- To incorporate feedback from customers, partners and stakeholders since scheme launch
- To ensure the policy achieves the aims of the partnership
- To minimise misinterpretations of policy
- To provide clear and thorough detail to customers, partners and stakeholders

Details of Policy Changes:

No.	Current Policy	Proposed Amendment	Rationale
1.	Housing Related Debt		
	Applicants with current housing related debt are placed in band 4. If the debt is cleared they return to their appropriate band. If applicants have debt from a previous property/tenancy they are placed in band 4 for 12 months. At the end of 12 months they can be reassessed if debt cleared or a payment plan has been maintained for 12 months.	Applicants will be assessed according to their housing need and placed in the relevant band with the relevant needs where appropriate. However they will not be authorised to bid on properties until a) the debt is cleared or b) they have maintained a payment plan rigidly for no less than 6 months.	It was originally assumed that placing applicants with debt (a form of unacceptable behaviour) would prevent them being successful when bidding. This has not been the case and a number of households have been housed leaving the debt outstanding. Landlords are losing this money in many cases. It should be noted that there is possible legal challenge risk to this change, as some see 'suspensions' as illegal. All partners will need to run this aspect past internal legal teams.
2.	Social Tenants in Band 1 & Band 2		
	Tenants of BH landlords can accrue band 1 or 2 priority if the need exists for urgent re-housing. Tenants of social landlords who have opted to place 100% of their properties through BH can also	Tenants of all social landlords where the tenancy is within the Bedfordshire sub-region, regardless of the landlord's participation in BH will be eligible to accrue Band 1 or 2 priority. BH	Tenants who were unable to accrue high/urgent priority would be limited in their options within the social housing sector. This change would treat all social tenants in Bedfordshire equally. Each social tenant that is re-housed will free up a property for another household.

No.	Current Policy	Proposed Amendment	Rationale
	gain Band 1 or 2 priority where appropriate. Tenants of other landlords can not.	protocol for awarding this priority must be followed including providing detailed evidence of the urgent need.	
3.	Social Tenants Residing Outside of Bedfordshire		
	Tenants of social landlords where the tenancy is outside of Bedfordshire remain in band 4 regardless of housing needs.	Tenants of social landlords where the tenancy is outside of Bedfordshire, but who meet the local connection criteria to Bedfordshire, will be assessed in accordance with their housing circumstances and will be entitled to band 3 status if appropriate, but not band 1 or 2.	Households of all other tenures residing outside of Bedfordshire are able to accrue needs in band 3 where they have a local connection, so this would assess all tenures equally. There is some concern that this will put pressure on Bedfordshire resources (e.g. adaptation funds, social services etc), but other sub-regional schemes have not found this to be the case where they operate in this manner.
4.	Local Authority Tied Tenants		
	Where an employee of a local authority in Bedfordshire has a tied tenancy and as part of that tenancy agreement the local authority is contractually obliged to provide alternative accommodation at the end of that employment, the household is given appropriate needs within band 3.	Where an employee of a local authority in Bedfordshire has a tied tenancy and as part of that tenancy agreement the local authority is contractually obliged to provide alternative accommodation at the end of that employment, the household will be given band 2 priority.	Where a local authority is contractually obliged to provide alternative accommodation upon a tied tenant retiring from local authority employment, the needs level given in band 3 may not be high enough to enable re-housing. Band 2 priority will enable the local authority to fulfil its obligation to re-house.
5.	Bedroom Deficiency		
	Households who are 1 or 2 bedrooms deficient are awarded 1 need for this, those who are 3 or	Households who are 1 bedroom deficient will be awarded 2 needs in band 3 for this and those who	This falls in line with guidelines on bedroom standards and overcrowding; 1 bedroom deficient being “overcrowded” and 2 or more being “severely overcrowded”.

No.	Current Policy	Proposed Amendment	Rationale
	more bedrooms deficient are awarded 2 needs.	are 2 or more bedrooms deficient will be awarded 3 needs.	
6.	Needs Increase in Band 3		
	The number of needs attached to each criterion in band 3 has been outlined in section 10 of the current policy document.	The number of needs attached to each criterion in band 3 will increase by 1. This will not apply to Dependant Child or Assured Shorthold Tenancies (AST), which will remain as 1 need each. <i>Possibly additional increase needs for medical; low=2, high=4.</i>	Privately rented accommodation held on an AST can be seen as adequate housing and is a viable housing option to those in housing difficulty. The partnership wanted to give less priority to households in this tenure than other forms of more insecure tenure and contemplated placing these households in band 4. However a large number of households in band 3 with 2 needs (often AST with children) have been successful, so the concern was moving these 2 criteria into band 4 would lead to more band 4 lets, which is in date order, so could lead to the housing of more home owners or people on high incomes.
7.	Dependant Child Needs		
	Having dependant children or child attracts 1 need in band 3.	This will continue to attract 1 need in band 3, but applicants will only be eligible to receive this need if other criteria in band 3 apply. Households will not be able to be in band 3 with only dependant child needs.	Having a dependant child (DC) is not really a housing need in itself; however it was felt that where a household has a DC they should be given higher priority than a similar sized household with no dependants. Care will be taken to ensure the policy can not be misinterpreted and DC needs awarded alone.
8.	Additional Band 3 Need – Households in AST who are owed a duty under Part VII of the Housing Act 1996		
	Currently these applicants would be in band 2 with high priority.	Households who are owed a duty under Part VII who have been placed in a private sector AST, where the tenancy is held directly with the private landlord and not through a licence or tenancy with	In some cases households who are owed a duty under Part VII are placed directly in private AST on 6 or 12 month tenancies. Where these applicants maintained band 2 status they were then being successful when bidding and leaving behind the private tenancy, which was causing bad feeling with the landlords. The level of priority will be reduced until

No.	Current Policy	Proposed Amendment	Rationale
		the Local Authority, will not be placed in band 2 but will be awarded needs in Band 3.	such a time that the tenancy is due to expire, but these households fall into a reasonable preference category so must be afforded some level of priority. They will be awarded 2 needs.
9.	Refusals – penalties for band 3 and 4 applicants		
	If an applicant refuses 3 offers of tenancy they will be asked to identify which property types and areas they would like and only bids placed that match that criteria will be considered.	Where an applicant in band 3 makes 3 unreasonable refusals of offer they will be placed in band 4 for 6 months. Where an applicant in band 4 makes 3 unreasonable refusals of offer they will be tied down to agreed types of property and specific areas and any bids placed on properties not matching this will not be considered for 6 months. Failure to attend a mutually arranged accompanied viewing will be considered as a refusal.	A high number of refusals have been received from applicants bidding on properties they are not really interested in. This leads to extended officer time and can lead to void time extensions and other applicants missing out on a property they would have accepted. To reduce this a penalty has been introduced. A 'reasonable' refusal will be defined as due to something that the applicant did not know from the property advert. If the applicant had been informed of something in an advert (e.g. area) and then refuses this will be considered as 'unreasonable'.
10.	Applicant's Requirement to be Contactable		
	No specific requirement for the applicant to be available for contact, meaning officers must chase to make offers of tenancy.	It will be the applicant's responsibility to be contactable and keep all contact details up to date and return any attempts to contact made by partners within 1 working day. Where an applicant is not contactable an offer of tenancy will not be made, or may be withdrawn.	Partners were spending lots of time trying to get hold of applicants to discuss offers of property. This was increasing time to process shortlists and in some cases leading to increases in void times. If an applicant is actively bidding it is reasonable to expect them to be available for contact following close of bidding.

No.	Current Policy	Proposed Amendment	Rationale
11.	Cross Border Preference		
	10% of properties are advertised with preference to applicants on cross border housing registers regardless of the applicant's place of residence.	Preference for these properties will no longer be given to applicants who reside in the same local authority area as the property.	Some applicants were applying to alternative housing registers in areas where they had no connection or desire to live just so they could bid on 'cross border' properties in their own local authority area, which are often let to lower priority applicants. The amendment will allow cross border advertising to work as envisaged allowing true cross border movement of applicants.
12.	Requirements to Bid: Band 1 & 2		
	Applicants in these bands (other than social tenants under-occupying their accommodation) are required to place a bid on a suitable property within 6 weeks of being awarded the priority. After this a bid will be placed by an officer and this will be considered as a final offer if the bid is successful.	Applicants in these bands (other than social tenants under-occupying their accommodation) will be required to use all 3 of their bids each week where suitable properties have been available. Failure to do so will lead to bids being placed by officers and a successful bid will be considered as a final offer. Suitable properties will be defined at point of awarding the band 1 or 2 priority.	It was always intended that applicants in high priority would use all their available bids each week, but the policy did not clearly define this, so some applicants were only using a single bid within the 6 week period. This was leading to extended time in the high band and extended time in temporary accommodation in the case of homeless applicants. This amendment will also help to reduce the numbers of people chasing band 2 priority where the need to move is not urgent.
13.	Allocations Outside the CBL Scheme		
	Direct lets and local lettings policies and extra care retirement properties are briefly mentioned in the current policy.	A new section clearly outlining when properties will be allocated outside of the CBL scheme and reasons for this (e.g. example reasons for direct lettings) will be	This section was not considered clear enough or in enough detail.

No.	Current Policy	Proposed Amendment	Rationale
		explained in the amended policy. Reasons for local lettings policies and how these will affect the priority of bidding applicants will be clearly explained.	
14.	Shortlisting Process		
	This process is explained in the current policy.	More detail will be provided in the amended policy, clearly explaining the process for applicants.	More detail is required for this section.
12.	Application Process		
	Details of who can apply and who to contact to apply are outlined in the current policy.	Clear details of who can apply and how to apply to the scheme will be outlined in detail. Each stage of the application process will be detailed.	More detail is required for this section.
13.	Content Re-design		
		New sections will be added:-e.g. 'Bidding': how to bid, preference bidding, 'suitable' bid, requirements/restrictions to bidding etc.; 'Applying to the Scheme': how to apply, assistance, incomplete applications etc.	Contents will be re-designed and some new sections included. This will make the document more user friendly and enable additional clarification/detail where required.
14.	Rural Sustainability:		
	Agreed to research and review affects of this policy initiative		

