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Report

Subject : Housing Allocations Policy and Choice Based Lettings Scheme

Report to : The Cabinet

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Cabinet Member for Housing: Councillor Ian Tomes

1. Purpose

1.1 This report sets out:

1.1.1 The review into Choice Based Lettings

1.1.2 Proposals for a county-wide Housing Allocations Policy

1.1.3 Proposals for procurement of a Choice based Lettings IT system

2. Background

2.1 On 11 November 2005 Cabinet endorsed the concept of Choice Based Lettings (CBL) and authorised officers to proceed with developing a CBL policy and to identify options for procurement..

2.2 A CBL Project Board was established and has led the detailed examination and consultation on whether CBL is appropriate for Salisbury.

3. What is Choice Based Lettings?

3.1 Choice Based Lettings began over 10 years ago in the Netherlands and refers to a different way of letting or allocating social housing properties. It is important to note that there is no one definitive model of CBL, but general principles that influence an overall application of CBL.

3.2 The main thrust of CBL has been to promote greater applicant involvement and “choice”, by empowering applicants to have more determination in where they wish to live and when they want to move, as well as becoming more proactive in seeking their housing solutions. Under CBL, properties can be advertised (in a similar fashion to estate agents) using newspapers, shop fronts, and the internet. Applicants are able to “bid” or register their interest in a particular vacancy, and an applicant selection would be made from the list of people who positively respond to the advert.

3.3 Unlike traditional allocation systems, effective CBL requires publishing the outcome of all lettings. This might include individual details about the successful applicant such as how long they have been on the list and their relative level of priority, together with the overall number of bids received for the property. This level of detail is essential to ensure CBL successfully delivers a more transparent and accountable system. Applicants can use this information to reach a rational decision on whether they wish to wait a longer period for more popular vacancies, or broaden their chances of moving more quickly by choosing a less popular vacancy.



4. Government Policy towards CBL

- 4.1 The concept of CBL initially received Government support when it published its Green Paper "Quality and Choice: A Decent Home for All" in April 2000. The Government's housing policy places considerable emphasis on themes of choice, and CBL is a central element to this agenda. CBL could also make a significant contribution to delivering the e-government agenda and the Government is therefore committed to driving forward CBL.
- 4.2 The Deputy Prime Minister's 5 year housing plan, "Sustainable Communities: Homes for All", published on 24 January 2005, reaffirmed the Government's commitment to the CBL agenda and wanting to ensure all local authorities operate a choice-based system by 2010. The Government supported twenty-seven pilots and these have proven that CBL is a successful and proven way of letting properties.

5. Outcomes from the Project Board

- 5.1 The Board has:
- 5.1.1 Produced a summary of the current housing allocation practice that considered, housing need, housing supply and matching applicants to voids;
- 5.1.2 Undertook a review of alternative housing allocation models;
- 5.1.3 Undertook an extensive public consultation exercise;
- 5.1.4 Participated and influenced the development of a county-wide Choice Based Lettings Policy.

6. Consultation

- 6.1 The consultation was undertaken through a questionnaire distributed to all council tenants and all applicants on the housing waiting list. A total of some 8000 forms were distributed and 1385 were returned. From those returned 76% supported the proposals to introduce a CBL system and who thought it a fairer system. We also consulted our housing association partners and key stakeholders through the South Wiltshire Supported Housing Forum.
- 6.2 In addition to this each district council in Wiltshire hosted an open day event that invited people to attend and find out more about CBL. Some 144 people visited the event in Salisbury and again people were very positive changing to a CBL system.

7. Proposed framework

- 7.1 The scheme aims to provide greater choice and transparency, whilst continuing to meet housing need.
- 7.2 The new system proposes to replace points with one which takes the applicant's date of application to the waiting list, or date at which priority was awarded as the decisive factor. Applicants' need shall then be determined by five bands and this will be the method of them selecting which property they may be eligible to bid for. The new system will however, need to consider establishing a quota for each priority group to ensure that priority is not just awarded to homeless households.
- 7.3 The most significant change for applicants is the way in which tenants will be identified and properties let under the new scheme. Most empty properties, including housing association homes to which the council has nomination rights, will be advertised. The method has yet to be agreed but use of the council's website and advertising are the likely means. Properties will be advertised in a format that makes it clear who is eligible to bid.
- 7.4 Applicants will be able to bid, or express their interest in a property by:
- Phoning an automated telephone line
 - Bidding via the council's website
 - Calling the housing department
- 7.5 There may be other channels that will be available subject to the type of CBL system installed.
- 7.6 It should be noted that not all properties will be advertised. Some properties will be held back in order to:
- Enable a decant due to major works;
 - Support move-on accommodation;

- Meet the council's homelessness obligation to a particular applicant.

8. County-wide housing allocations policy

8.1 Each of the district councils have their own housing allocations policy. Although all individual, the operation of them was generally very similar in terms of identifying and meeting housing need. Over the last twelve months a county-wide group of officers have been developing a common/single housing allocations policy for Wiltshire. This has been subject to extensive consultation in shaping and evolving a draft policy. The policy is based on implementing a CBL system with a single common approach across Wiltshire. This would offer applicants the opportunity to apply for housing anywhere in the county, although this would not override local connection requirements. A separate report will be brought before Cabinet to consider this further.

9. Procurement of CBL system

9.1 The procurement of a CBL system will be the next critical phase of the programme. There are a number of systems on the market and therefore we could write a specification and tender our requirements. However, West Wiltshire District Council undertook this process some eighteen months ago and subsequently purchased what they considered as one of the leading products on the market. As the proposal is to have a single system, covering all four districts, then consideration should be given to partnering West Wiltshire. A further factor is the forthcoming Unitary council and that a common sense approach is needed to make sure we do not commit to a system that is not fit for purpose. The key issues that need consideration are:

- 9.1.1 Is one system procured for the whole of the county? This would be the most cost effective and cost efficient way.
- 9.1.2 Do we work with West Wiltshire DC CBL provider to negotiate a partnering arrangement, this would require waiving of standing orders.
- 9.1.3 If this does not produce a satisfactory outcome then, with Wiltshire County Council, the four districts could tender for a new provider.

10. Financial implications

10.1 The costs come in three sections and are currently only indicative:

Procurement	This is to purchase a new software to operate CBL	£40,000 one off
Installation	This will require project management skills to ensure data transfer, interface with other systems and staff training	£20,000 one off
Annual operating costs	New costs will primarily be for advertising. Whilst the council will seek to recover these from housing providers, including an additional cost to the HRA, there may still be a shortfall to be met. Annual management charge / license fee with CBL provider	£12,000 p.a. Not yet known

10.2 To off-set some of the one-off costs Communities and Local Government have one final bid round for authorities to secure 'pump priming resources' towards CBL projects. The county-wide group has prepared a bid ready for submission and therefore we may be able to reduce the one-off costs.

11. Next steps

11.1 Subject to Recommendations below the next set of actions will be:

- To complete and submit bid for funding to Communities and Local Government.
- To finalise draft county-wide housing allocations policy.
- To prepare a revised housing application form, again a county-wide version.
- To resolve the procurement process.
- Establish an Implementation Team.
- Produce a communications plan.

- Publish a timescale for Salisbury launching its CBL system.

12. Recommendations

Cabinet are recommended to:

- (1) Approve the change from the points based housing allocations scheme to Choice based Lettings.
- (2) Commit to a county-wide housing allocations policy and housing application form.
- (3) Authorise officers to progress with identifying the most appropriate CBL system and to receive a more detailed report on the financial requirements and procurement process.

13. Implications

Financial:	None in respect of this report. However, there will be capital costs incurred with the procurement of a new system.
Legal:	<p>The Housing Act 1996 introduced detailed criteria governing what must be contained, and who should receive preference, within a local authority's scheme of allocations. Section 167 of the Act required Local Authorities to give "reasonable preference" within their scheme of allocations to certain groups of applicants. Since then, the reasonable preference categories have been modified and extended as a result of statutory instruments and new Acts, including the Homelessness Act 2002 and most recently the Housing Act 2004.</p> <p>In addition, the Homelessness Act 2002 required local authorities to include (for the first time) the housing needs of Registered Social Landlord (RSL) tenants in their allocation/nomination policy. In other words, the allocations policy must govern transfers as well as new applicants for housing.</p> <p>The legislation governing allocations has also been revised to make it more conducive to the introduction of CBL. Section 167 (1A) of the Housing Act 1996 requires Local Authorities to include a statement in their allocation scheme about their position on offering choice to applicants or the ability to express preferences. Whilst there is currently no statutory requirement on Local Authorities to implement or undertake any form of CBL, Government is directing through the draft Code of Guidance on Choice Based Lettings that by 2010 all Local Authorities will have introduced a CBL system.</p>
Human Rights:	Article 8 (the right to respect for private and family life) does not confer the right to a home.
Personnel:	None in respect of this report
Community Safety:	None in respect of this report
ICT	None in this report.
Environmental:	None in this report
Council's Core Values	Promoting excellent service, supporting the disadvantaged, being fair and equitable, communicating with the public, wanting to be an open, learning council and a willing partner.
Wards affected:	All
Consultation undertaken	Contained in the report