

**Select Committee on the Environment – 18<sup>th</sup> September 2006**

**Report of the Director of Adult, Community and Housing Services**

**Implementation of Choice Based Lettings in Dudley**

**Purpose of Report**

- 1 To provide Members with a progress report on plans for the implementation of CBL in Dudley.
2. To invite Members' comments prior to the preparation of a detailed implementation plan.

**Background**

3. Select Committee has received a series of reports on the Central Government requirement for all housing authorities to adopt CBL by 2010. For the benefit of new Members, a briefing note on the concept of Choice Based Lettings is attached as Appendix A, and includes our implementation timetable.
4. On 21<sup>st</sup> September 2005 Cabinet agreed that the process should be overseen by this Select Committee.
5. On 23<sup>rd</sup> January 2006 Select Committee agreed to a report detailing the options for CBL in Dudley to be brought to September's meeting. This report is to include:
  - Proposals for the **process** of matching applicants to vacancies, which should be a mainly web based system, marketed through Dudley Council Plus, and
  - Proposals for two options for deciding **preference** amongst competing bidders, one based on simplifying the existing points scheme, and the other on a system of banding people with similar levels of need and housing them in date order
6. A Project Manager was appointed in April 2006 and a Project Team established to carry out a detailed examination of the options and costs for CBL.

Extensive research of existing CBL schemes has been carried out by visits, telephone calls and via the internet.

Members of the Project Team have visited CBL schemes operated by Walsall Housing Group, Sandwell Homes, Urban Choice Birmingham and HomeZone Lichfield. Select Committee Members visited a small scheme run by a tenant management organisation in Wolverhampton.

7. The Choice Advisor from the Department for Communities and Local Government gave a presentation on CBL to the Dudley Housing Partnership meeting in June. Registered Social Landlords have shown an interest in participating in Dudley's scheme and a representative from Jephson Housing Association has now joined the Project team.

The inclusion of private landlords in the scheme is also being considered.

The government is keen for local authorities to develop or participate in regional and sub-regional schemes and Dudley may wish to consider working with neighbouring authorities in the future.

8. Demonstrations of CBL IT systems have been carried out by Scout Solutions, Northgate, Locata, Abris and Home Connections.

These companies provide public access via a website and various methods of bidding using new technology as well as traditional paper based and face to face communications. They manage the bidding process and provide short lists of interested applicants to enable Dudley staff to make offers.

The use of such systems contributes to e-government aims to achieve full electronic delivery of priority services in ways which put the customer first. Customers who choose to do so can apply for housing, register their interest in specific properties and obtain housing options information from their own home computers.

Some companies are Local Authority controlled not for profit organisations. By becoming a 'partner' in these organisations there are no licensing issues and costs for enhancements and additional services can be shared between the partners.

A specification for Dudley's CBL system has been prepared in readiness for a tendering process.

9. The introduction of CBL will provide Dudley with a simple transparent approach to letting properties improving the perceptions of social housing and customer choice.

Customers will be given information to make informed choices about their housing options and become more actively involved in choosing their homes. Applicants for housing will have more choice and control over where they live.

CBL also increases understanding about the basis on which properties are let. Applicants are able to see how many people express an interest in each property and the criteria used for the selection process.

Research indicates that CBL can positively contribute to social and community inclusion and cohesion. CBL has a positive impact on tenancy sustainment helping to build communities that are stable, viable and inclusive and helping to prevent repeat homelessness.

Research has shown that the introduction of CBL in other authorities has led to a decline in void periods, fewer long term voids and an increased demand for hard to let properties.

Void performance and sustainability will be monitored during the pilot.

10. It is essential that Dudley's CBL system provides appropriate support for vulnerable groups, and the Project team is carrying out ongoing research in this area. It is proposed that support to applicants will be available as follows:

Customers will be assisted to access the service by staff at DCP and Area Housing Offices. Consideration will be given to the provision of kiosks or computers at appropriate locations for public access to the web-site. There are currently 4 kiosks provided by Dudley Council Plus at the following locations :

Cornbow Shopping Centre, Halesowen  
Churchill Shopping Centre, Dudley  
Ladies Walk Centre, Sedgley  
Crown Centre, Stourbridge

A further kiosk will shortly be installed at Russells Hall Hospital.

There are 6 computers available for public access at Dudley Council Plus and 155 computers available at libraries across the borough. An additional 165 computers are available for service users at Adult Learning Centres.

Information will be readily available in languages other than English and the use of symbols rather than words is a common feature of CBL systems.

The ongoing research and future consultation process will identify applicants who may be unable to access the service due to age or disability. The cost of producing and posting vacancy listings to specific groups eg. applicants with a particular level of need or those who are under occupying family houses will be explored in practice during the pilot.

Details of available properties will also be available at libraries, hostels, community centres etc.

Procedures will be established for Dudley staff to work closely with partner agencies to enable them to advise and assist their clients with CBL.

The specification for Dudley's CBL system will include accessibility requirements.

During the pilot scheme monitoring will be carried out to identify those who are not bidding and provision will be made within Housing Management Services to provide support for those applicants not supported by other agencies.

11. A review of the Lettings Policy has recently commenced. Options to modify the existing points scheme or move to a banding system are being explored, and are described at Appendix B.

Research suggests that moving to a banding system is simpler and easy to understand. The current points system is perceived as complicated and unpopular with both applicants, staff and Members and leads to 'points chasing'.

Modifying the existing points scheme would not address the perceptions of a complicated and unpopular system. It would be difficult for such a system to be simple and transparent. A new banding system not comparable to the points system is therefore the recommended option.

Any changes to Dudley's Lettings Policy must respond to both current and future supply and demand. The recent Housing Needs Survey in Dudley has highlighted an increasing demand from concealed households, more demand from smaller households and a large increase in older people. The authority has a duty to ensure that social housing vacancies are targeted to people in housing need.

Work on the policy review is ongoing, and will include detailed comparisons as to how the proposed changes will affect the rehousing prospects of people who have different types of need.

In accordance with legislation, there will be public consultation on the proposed changes over the next few months.

12. Early in 2007, a pilot CBL scheme will be established in the central Dudley area. This pilot will test the process of advertising properties using the existing points scheme to determine priorities.

During the pilot scheme work to introduce a revised lettings policy with either a modified points scheme or a new banding system will continue "behind the scenes". This will enable the roll-out of CBL borough wide with a revised Lettings Policy in place early in 2008.

13. In order to staff the pilot scheme, some staff from within the existing Dudley lettings team will form a new CBL team managed by the Project Manager to operate the pilot within the Dudley area.

Prior to commencement of the pilot the CBL team would be responsible for setting up and testing the new system, working with our selected IT partner, and providing information and advice to partner organisations, customers, etc. about the changes.

During the pilot phase the CBL team will be responsible for void progress, the preparation of property adverts, shortlisting, arranging viewings and making offers. The team would also be responsible for providing feedback to customers and carry out monitoring of the system.

At the end of the pilot and prior to roll out across the borough, there will be a review of the staffing structure and job roles required for what is a major change in the way our lettings service is delivered. All affected staff are already receiving briefings and will be able to contribute to the review, and to developing a new and better service for our customers.

## **Finance**

14. There is a budget of £150k in place for the CBL project. Initial start up costs, support and maintenance, additional hardware costs for the provision of extra kiosks, printers, etc, and a major marketing and communication campaign will all be met from within this budget. Any short term extra staffing requirements to cope with the expected initial surge of interest and enquiries will be met from existing staffing budgets.

## **Law**

15. The powers and duties of housing authorities in relation to the allocation of council housing are set out in the Housing Act 1996 and the Homelessness Act 2002. The government have set a target that all local authorities should introduce CBL by 2010.

## **Equality Impact**

16. A full impact assessment is currently being undertaken. Appropriate support will be offered to vulnerable groups. The pilot scheme will enable us to carry out detailed monitoring and ensure that the final scheme is accessible to all sections of the community.

## **Recommendation**

17. Members are invited to comment on the contents of this report.



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## **List of Background Papers**

(Select Committee & Cabinet Reports to be listed & relevant publications)

### **Choice Based Lettings – Briefing Note**

- Choice Based Lettings is an alternative way of allocating social housing (council, housing association) to applicants on the housing waiting and transfer lists.
- Vacancies are advertised to all applicants in a variety of ways – via a website, local newspapers, newsletters, displays in DCP/Housing offices etc. on a weekly or fortnightly basis. These vacancies are labelled to indicate which households are eligible for which properties e.g. Single person not eligible for 3 bed house
- Applicants apply (bid) for any vacancies which are suitable for their needs. The successful bid will be the applicant with the highest priority under the scheme.
- Priority is given to those with the most urgent needs but where applicants with the same priority have bid for the same property the applicant waiting the longest should be allocated the property.
- Feedback is provided to applicants regarding the outcome of bidding to help them understand the likeliness of their success when bidding and to enable them to adjust their bidding in future.
- CBL does not mean that there are more properties available or that everyone will get what they want, but does give transparency to the lettings process and helps to promote settled communities.

### **Key Dates for Implementation**

<b>Timescale</b>	<b>Action</b>
October – November 2006	Tendering Process
October – December 2006	Consultation on policy changes
December 2006	Report to Cabinet
January – March 2007	Appoint pilot team, test system, train staff, liaise with partner agencies, marketing and awareness campaign
April 2007	Pilot goes live
January 2008	Roll-out borough wide with revised lettings policy

### **Revised points scheme for Dudley**

- The number of application categories could be reduced. Applicants are currently given one of 27 application categories when registering on the list. This could be reduced to a maximum of 5 categories, e.g. Homeseecker, Transfer, Homeless, Medical Priority, Other Special Priority.
- The number of categories under which points are awarded could be reduced with a specified number of 'priority' points awarded to applicants who need to move due to urgent medical or other specified reasons. Further detailed work in this area would be required.
- Medical points – applicants awarded medical points could be given additional priority over other applicants. For example applicants with a maximum medical award could be given a higher priority than other applicants who may have a higher points total overall but with no medical points.
- Overcrowding points are currently awarded to reflect the moving household only. A revised scheme could better reflect the overall situation in the existing home by awarding points for each bedroom lacking. There are pros and cons with this approach, as it has the potential for manipulation.
- Points for waiting time could be reviewed. Applicants' points could increase annually on the anniversary of their application. As waiting time is not a 'need' these additional points could be awarded only to applicants actively seeking housing. This would discourage applicants who are not actively seeking rehousing from registering on the list for future needs.
- More preference could be given to people who are under occupying family homes or occupying other very popular properties, although these do tend to be in competition with high medical needs (e.g. two bedroomed bungalows)
- The current system gives points for the number of years spent in a flat, this could be restricted to families with children given the current pressure on family houses.
- More points could be given for poor quality accommodation or lack of facilities.
- The "matrix" system whereby homeless applicants receive a wide variety of points levels could be replaced with a set points award.

## **Proposed Banding System**

Applicants would be placed in one of four priority bands. These would be bands 1-4 to imply order of priority without inference of inferiority. Priority within bands would be determined by the date the application was registered in a particular band.

The proposed bands (subject to detailed testing) are:

### **Band 1 – Applicants with the greatest need**

- Domestic Violence
- Harassment
- Special Cases
- Urgent Medical – hospital discharge, maximum recommendation
- CPO

It is anticipated that only a small number of applicants would be placed in Band 1 and time in this band could be limited. Shelter recommend that priority time should be for a minimum of 6 months and applications should be reviewed at least once during this period.

### **Band 2**

- Other homeless cases
- Tenants under occupying larger properties
- Transfer applicants moving to release high demand/adapted property
- High priority medical/disability
- Applicants with learning disabilities
- Severe overcrowding
- Cumulative needs

### **Band 3**

- Key workers
- Low level medical needs
- Lesser overcrowding
- Lodgers
- Out of borough local connection ( work/medical)
- Homeless less preference

### **Band 4**

- Applicants with no need to move

A percentage of advertised properties would be allocated to the first three bands. Band 4 applicants could be assisted with No Wait properties or assisted exchanges. This would enable all applicants including those who are considered adequately housed to have an opportunity to move.