

Choice based letting system



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Committee report on the advantages and disadvantages of choice based letting.

Summary

This report sets out the advantages and disadvantages of moving to a choice based letting system.

1. Introduction.

1. 1. The Communities and Local Government Department introduced the Choice-based Letting (CBL) scheme in 2001 as a pilot programme. The programme was intended to offer ‘choice’ and make more ‘transparent’ the letting procedure to the consumer. Based on the Delft model, it was intended to “replace the points-based allocation system with a lettings service that home seekers could understand”. The Delft model was developed in the Netherlands as a replacement for distribution model or the allocation of social housing via a waiting list.

1. 2. This report is intended to highlight the

2. Needs based allocation and its issues.

2. 1. Choice in the public service sector has been on the British political agenda since the late 1990’s which in turn has forced a revaluation of needs-based allocations. The social rented sector, which consists of local authorities and housing associations, since the 1970’s has based housing allocations on ‘need’. This has been achieved by allocating ‘points’ to indicate if a household was living in temporary accommodation, inappropriate accommodation due to overcrowding and/or unacceptable accommodation due to disrepair and condition.

2. 2. The ‘ needs based’ system of allocation has become established within the social housing sector as the method for allocating council houses, and with the use of other criteria such as waiting time has endured for over thirty years within the sector including the shaping of guidance and legislation. Needs based allocations were based upon a list of ‘ reasonable preferences’ categorised as

- families with dependent children and pregnant women;
- people occupying temporary or insecure accommodation;
- persons with a particular need for settled accommodation on medical or welfare grounds;
- households whose social and economic circumstances mean that they have difficulty securing settled accommodation; and
- Statutorily homeless households.

2. 3. Within the research some critics have expressed issues with the needs based allocation system. The above categories show the concept of ‘ need’ is narrowly defined and as such has not been implemented correctly, the ability to wait for a better house ensures that those in less ‘ need’ can obtain better quality housing. Discrimination of the sort that is unconnected to housing needs, such as racism, is still present within the system . Specific issues regarding needs based allocations include the unpopularity and complexity of the points system, the suspected tendency of applicants or landlords on a points based system to exaggerate their need in order to secure additional points. Another issue is the idea that this system results in an area becoming

overrun with poor and disadvantaged households occupying a single tenure, social rented housing.

2. 4. Other, more general inefficiency's relating to the needs based system include the amount of offers to the consumer that are turn down, the large proportion of applications that are of date but still remain on the waiting list, areas of low demand that bureaucratic rationing fail to address and the opinion that the need based system is highly coercive and gives the consumer no real prospects to articulate their opinions or chose accommodation that is to their preference.

2. 5. Overall the needs based or bureaucratic rationing system to some commentators and consumers is unpopular and overly complex. The consumer has no concept of the ' points system' and those that do adopt a regime of points chasing.

3. How Choice-based Lettings works

3. 1 Choice-based Lettings (CBL) replaces the traditional way of allocating housing under which housing officers seek to match applicants who have priority on the waiting list to available vacancies. CBL allows applicants for social housing (and existing tenants seeking a move) to apply for available vacancies which are advertised widely (eg in the local newspaper or on a website). Applicants can see the full range of available properties and can bid (ie. apply) for any home to which they are matched (eg a single person would not be eligible for a three-bedroom house). The successful bidder is the one with the highest priority under the scheme. Authorities provide

feedback that helps applicants to assess their chances of success in subsequent applications.

3. 2 Choice Based Lettings is a new approach to letting homes which will make lettings arrangements more transparent and give prospective tenants more control over the lettings process. Rather than homes being allocated by the council, choice based lettings allow tenants and prospective tenants to bid for the available properties they are interested in. Available homes will be advertised on the internet and a bi-weekly property magazine, which will allow applicants to see what Council or housing association housing is available in the area and enable them to play a greater role in the process of selecting their home.

3. 3 Choice based lettings will not increase the amount of available social housing. However, people seeking re-housing will have accurate information on how many homes are actually available, where these homes are located and their chances of being housed. As the system is much more transparent, housing applicants will have all the information necessary to make their own informed choices.

Bidding

All registered home-seekers will be able to 'bid' for the homes advertised. Bidding can be done through the internet, by phone, by text or by coupon.

The property magazine will list many details including a photograph of the property, its location and the size of household that the home is suitable for. People will only be able to bid for a property suitable for their household size.

A shortlist of bidders will be drawn up and the home-seeker in the highest priority will be offered the property. If they do not want to accept the property it will be offered to the next highest bidder and so on.

Other Options

One of the advantages of the transparency of choice based lettings is that it helps people understand the likelihood of being re-housed, and consider options other than being housed by the Council or housing associations.

There are many other alternatives to social housing available to home-seekers in Thanet and we will regularly publicise alternative options, such as the Council's Rent Deposit Scheme, and promote the role of the Housing Options Team in working with home-seekers to resolve their housing difficulties.

Information

Applicants have more information on their housing opportunities. They will see the number of properties available and the level of priority of successful bidders.

Choice based lettings will also provide a place to advertise opportunities for shared ownership, and hopefully in the future private rented options.

While creating greater choice for people seeking re-housing, choice based lettings encourages people to take greater responsibility for their future housing. It helps people who are unlikely to get into social housing to consider other options to meet their housing requirements.

Support

Other statutory and voluntary agencies that support vulnerable members of the community will have an important role in ensuring their clients benefit from Choice Based Lettings. We will help train these agencies so they can support their clients to bid for properties. Our Housing Options team will also provide advice and support.

There will be a variety of ways to bid. People will be able to choose a method which suits them. Information will be available in public areas and we will also have a procedure where people can bid on the behalf of others, e. g. relatives and friends, staff or support workers, who may have problems otherwise.

We will monitor people who do not bid to find out why this is happening and see if there is anything we can do to help them. There will be more publicity on choice based lettings before the launch so that everyone is aware of the new system, and where they can go for more information and help.