

# **APPENDIX R**

## **WAVERLEY BOROUGH COUNCIL**

### **COMMUNITY OVERVIEW & SCRUTINY COMMITTEE - 12 JANUARY 2009**

#### **EXECUTIVE – 3 FEBRUARY 2009**

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**Title:****REVIEW OF CHOICE BASED LETTINGS****[Portfolio Holder: Cllr Richard Gates]****[Wards Affected: All]**

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**Summary and purpose:**

The purpose of this report, which was considered by the Community Overview and Scrutiny Committee at their meeting on 12 January 2009, is to review the operation of Choice Based Lettings in Waverley and recommend amendments to the allocation scheme following the first year of operation.

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**How this report relates to the Council's Corporate Priorities:**

This report relates to the priorities of Affordable Housing, Improving Lives and Value for Money. Choice Based Lettings is a new way of advertising and allocating subsidised affordable housing that gives greater choice and mobility to housing applicants. Having a suitable home is a fundamental requirement for people to be able to be safe, healthy and included in society. By giving people greater choice as to where they live there is a greater chance that communities can be more stable and cohesive.

**Equality and Diversity Implications:**

In allocating affordable housing the Council has to abide by the requirements of housing and equal opportunities legislation. A key issue relating to Choice Based Lettings is ensuring that housing applicants are not disadvantaged or excluded from the scheme and that measures are in place to help the more vulnerable.

**Resource/Value for Money implications:**

The report outlines how the Council has benefited financially by introducing Choice Based Lettings as part of a sub-regional partnership and that the revised allocation scheme has helped prevent homelessness and as a result produced savings through the reduction in the use of temporary accommodation. It is proposed to introduce a freephone number at a cost of £700 per annum which can be met through existing budgets

**Legal Implications:**

Councils are required to comply with relevant housing legislation in regard to how housing applicants are prioritised for rehousing in Council or Housing Association properties. The Council's legal team have been consulted on the proposed amendments to the allocation scheme outlined in this report.

## **Background**

1. Choice Based Lettings is a term used to describe the advertising of Social Housing properties. Under such schemes, rather than Council Officers allocating properties to housing applicants based on their housing priority; housing applicants are encouraged to express a preference or 'bid' for the properties that are advertised. These bids are then ranked in the order of housing priority, based on the Council's allocation scheme.
2. The Government requires that all Councils introduce Choice Based Lettings by 2010. As a result of a successful bid to the Government, Waverley, Rushmoor, Guildford and Hart Councils benefited from a £100,000 grant to introduce a Sub - Regional Choice Based Lettings scheme.
3. Waverley's local Choice Based Lettings scheme is called Waverley Homechoice and was launched on 28 March 2007. The Sub-Regional scheme, known as Homeselecta, was launched at the same time. Under this scheme, 10% of each authority's Council and Housing Association vacancies are open to bids from each other's housing registers (i.e. Guildford, Hart, Rushmoor and Waverley).
4. The properties are advertised on a dedicated website, on a telephone message service, on notice boards and printed newsletters at the Council and locality offices.
5. Applicants can bid for properties on line or by phone. Council staff are available to assist customers to use the system at the computers in the reception areas in the locality and Council offices. For those vulnerable customers who are unable to use the system and who have no other means of support through family, friends or support agencies, Council officers will place bids on their behalf.
6. Waverley took the opportunity of introducing Choice Based Lettings to revise its allocation scheme. Under the new allocation scheme applicants are prioritised in one of 5 bands (A-E). A being the highest priority, E the lowest. Within each band applicants are in date order.
7. There is a separate, simpler allocation scheme for the sub regional Homeselecta scheme.

## **Benefits of introducing Choice Based Lettings in Waverley**

8. The Council benefited from a £25,000 grant from the Government and by working in partnership with 3 other Councils, Waverley also benefited from savings in procurement costs and sharing best practice.
9. The Council met the Government's target of introducing Choice Based lettings 3 years ahead of the Government target of 2010.
10. The way social housing is allocated is much more transparent. Applicants can exercise choice as to where they wish to live and have a clearer idea as to the number, type and location of properties that become available.

11. The sub-regional Homeselecta scheme gives the opportunity for customers to move further a field should they so wish e.g. to be nearer support networks or employment.
12. The customer survey conducted in December 2007 highlighted that 77% of respondents felt the new system was either easy or very easy to use. One customer wrote in as follows: 'I would like to applaud the new changes made to the way houses are now being allocated. The Homechoice scheme appears to be a fair and effective way of managing the issues, giving people a degree of choice and more importantly a tangible insight into what is available, who is getting it and how they stand in relation to their eligibility'. A further customer survey is planned for 2009.
13. The new allocation scheme introduced to support Choice Based Lettings as contributed to the Council's continued success in reducing homelessness. It does this by not reducing housing applicants' priority on the housing register when they choose to rent accommodation privately. Customers under threat of homelessness are now much more open minded about the possibility of renting privately until such time as their housing register priority is sufficient to successfully bid for Social housing under the Waverley Homechoice scheme. This has meant that the number of households formally applying as homeless to the Council and being accepted as homeless has dropped considerably. This in turn has meant the Council has already met the Government's 2010 target of reducing the number of homeless households in temporary accommodation by 50%.
14. The success at preventing homelessness has delivered significant financial benefits to the Waverley in that the Council has been able to reduce its portfolio of privately leased properties from around 50 properties in 2004 to 0 in October 2008. This has given considerable cost savings to the General Fund.
15. The broader brush approach of the new allocation scheme has also delivered benefits in the broader range of households accommodated in Waverley's housing stock. This helps communities to be more sustainable and reduces the concentration of very vulnerable households in one place and the housing management difficulties this can cause.
16. Whilst understandable anxious about the radical change that Choice Based Lettings would bring to their jobs, housing staff (the Homechoice team) have also welcomed the new approach and the broader remit of the roles. Also, staff outside of housing have also welcomed the introduction of Choice Based Lettings – particular staff at the locality offices who play such a key role in helping more vulnerable customers actively engage in the new scheme.
17. The processes and procedures developed between the Homechoice team and the repairs and maintenance team as part of introducing Choice Based Lettings has delivered significant improvement in relet times for Council stock: 38 days 2006-2007 to 28 days 2007-8. Currently 23 days 2008-9.

## **Challenges of operating Choice Based Lettings**

### **Accessibility**

18. Moving to a system where housing applicants have to be proactive in choosing their potential future home obviously raises concerns regarding equal opportunities – can all housing applicants participate in the scheme or are some disadvantaged?
19. Prior to launch, Officers arranged consultation events with stakeholders such as a Citizen Advice Waverley, Social Services, Health etc to ensure these agencies were aware of the move to choice based lettings and were able to support their clients in the process. Locality Office staff were trained in the system so people without IT access could be supported to place bids. A telephone messaging service was set up to inform people without IT access and/or with mobility issues as to what properties are advertised each week. Housing applicants were kept informed through newsletters as to the introduction of the scheme and consulted as to its impact 6 months after its launch. Following this consultation those who were struggling to use the system were contacted by housing staff to provide the appropriate level of further assistance.

### **Expectations**

20. Advertising vacancies and inviting people to bid for them can create a level unrealistic expectation for early housing assistance. Choice Based Lettings does not produce any additional vacancies. A number of customers are shocked by the small number of properties that do become available (particularly family sized units) and by the fact that their bid for a property is not ranked more highly due to the number of other housing applicants in similar or greater need. On the positive side this does help them re-adjust their expectations and gives them the impetus to look at alternative housing options whilst waiting for future assistance under the scheme.

### **Allocation Schemes and interpretation issues**

21. As noted above, there are two allocation schemes affecting Choice Based Lettings - one for the 90% of properties advertised locally and one for the 10% advertised sub regionally. Whilst in this report has already highlighted the effectiveness of Waverley's local allocation scheme it is felt necessary to make some minor adjustments as outlined in points 26 and 28.
22. Members will probably appreciate that for all four sub regional partners (Waverley, Guildford, Hart and Rushmoor) to agree and then consistently apply a sub-regional policy has been a challenge. It is also felt that having two different policies is potentially confusing for applicants. Officers in the partnership will be reviewing the sub-regional policy and depending on the extent of any proposed changes will report back to respective portfolio holders to approve minor adjustments or relevant committees for major ones – as required by each Council's existing allocation schemes.
23. Officers will also explore the possibility of negotiating a single allocation scheme for all 4 partners that would apply to the 90% of local lettings as well as the 10% sub regional lettings. Each authority would have to agree any final scheme. A single scheme would have benefits in ease of understanding for

customers and staff and produce economies in terms of having a single housing application form relevant for all four Boroughs/Districts

### **Achieving a balance between inward and outward migration under the sub regional scheme**

24. Until launching and running the scheme it was unclear as to what extent applicants from different areas would be prepared to move to other boroughs and districts to meet their housing need. A view could be taken that as long as people from different areas are assessed under the same allocation scheme and have the same option of bidding for properties outside of their area; it does not matter whether there is a balance of applicants choosing to do so – particularly as it only affects 10% of properties. However, the sub-regional partnership has taken the view that there should be a balance between inward and outward migration. To date, more applicants from outside Waverley have moved into Waverley, than have moved out. Therefore Waverley will be temporarily reducing the number of properties it puts into the sub regional scheme. In addition, the other partners will be restricting their sub regional properties to applicants from outside of their own boroughs. Coupled with a further promotion of the sub regional scheme to Waverley applicants, these measures should help redress the balance of inward and outward migration.
25. Some additional statistical information about Waverley Homechoice and Homeselecta is available in Annexe 1.

### **Recommended changes to the Council's Waverley Homechoice Scheme**

26. Under Waverley's allocation scheme households who have a baby up to the age of 6 months are only eligible to bid for one-bedroom properties. Officers are recommending changing this so that applicants are eligible for 2 bedroom properties following the birth of a child. It is recommended that this change be implemented retrospectively for transfer applicants but from 1 March 2009 for housing applicants. The reason for the difference is that for a number of transfer applicants the change would also raise their priority from band D to C whereas the majority of housing applicants are already in band C, irrespective of this change. Transfer applicants would therefore be at a disadvantage if the change was not carried out retrospectively.
27. Officers do not at this stage feel that the change highlighted in paragraph 26 should be mirrored by lowering the age at which households are eligible for 3-bedroom accommodation. However, we propose to monitor the impact of the change in paragraph 26 over the next 6 months to a year. If it is then felt necessary to lower the age criteria for three-bedroom accommodation from the current age of 8 to 7 for the oldest child sharing with a sibling of the opposite sex; this will be undertaken following consultation and authorisation from the Head of Housing and Housing Portfolio Holder. Experience shows that it is better to do subtle adjustments to a policy that is already working effectively and monitor the impact, rather than whole sale changes that can significantly unbalance a scheme
28. Additional clarification of wording in the allocation scheme is included as detailed in Annexe 1.

29. That the weekly Waverley Homechoice property message service is provided as a freephone service (similar to the repairs freephone service) to help reduce the costs of participation in the service for telephone customers. The cost of this is expected to be £700 a year. And is likely to reduce as more people access Choice Based Lettings via internet access.

### **Conclusion**

30. Choice Based Lettings was successfully launched within budget and has produced a number of benefits for housing applicants. All Councils are required to operate Choice Based lettings by 2010 and Waverley has benefited from Central Government funding to help launch its scheme. Officers will continue to monitor the scheme to ensure equality of access and a further customer consultation will take place later in 2009. Officers will continue to work within the Sub Regional Partnership to ensure there is a correct balance between interests of Waverley applicants and those of its Partners.

### **Community Overview and Scrutiny Committee**

31. The Community and Overview and Scrutiny Committee supported the officer recommendation as set out below.

### **Recommendation**

It is recommended that the Executive:

1. amends the Council's allocation scheme as outlined in paragraphs 26 and 28;
2. implements a Freephone service as soon as practically possible at an estimated cost of £700 a year; and
3. notes the contents of this report.

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### **Background Papers (DOCS)**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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# ANNEXE 1

## WAVERLEY BOROUGH COUNCIL

### COMMUNITY OVERVIEW & SCRUTINY COMMITTEE – 12 JANUARY 2009 EXECUTIVE – 3 FEBRUARY 2009

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#### REVIEW OF CHOICE BASED LETTINGS

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##### 1. Facts and Stats regarding Choice Based Lettings:

1.1 Of 3290 Housing Register Applicants, 1955 have bid at least once (59.42%)

1.2 Of the 41,115 bids placed:

By Web	94.67%	38922
By Phone	4.69%	1930
By Back office	0.54%	223
By Text Bid	0.10%	40

1.3 Most Bids for a Waverley Homechoice Property:

198 bids for a 3-bedroom property in Farnham

1.4 Least Bids for a Waverley Homechoice property:

1 bid for a Sheltered Bedsit in Haslemere

1.5 Average Bids by Property Type:

Property Type	Homeselecta	Waverley Homechoice
Sheltered Bedsit/Studio	10	3
Sheltered one bed	12	5
Bedsit/Studio	48	34
One Bed Flat	80	43
One Bed Bungalow	68	46
Two Bed Flat	45	32
Two Bed Bungalow	90	50
Two Bed House	110	63
Three Bed Maisonette	22	9
Three Bed House	70	44
Four Bed House	Non Advertised	46

## 1.6 Banding of those re-housed under Waverley Homechoice 2007-2008

Band A	16.07%
Band B	28.52%
Band C	53.77%
Band D	1.31%
Band E	0.33

## 1.7 Homeselecta Sub Regional properties let by Property Area and Council Applicant area 2007-2008

Property - LA	Applicant - LA				Total
	<i>Guildford</i>	<i>Hart</i>	<i>Rushmoor</i>	<i>Waverley</i>	
<i>Guildford</i>	23	2	15	6	<b>46</b>
<i>Hart</i>	2	8	10	4	<b>24</b>
<i>Rushmoor</i>	3	3	19	1	<b>26</b>
<i>Waverley</i>	11	5	12	11	<b>39</b>
<b>Total</b>	<b>39</b>	<b>18</b>	<b>56</b>	<b>22</b>	<b>135</b>

## 2. Amendments to the allocation scheme

### 2.1 Choice

As far as possible all properties will be advertised and let under the Council's Choice Based Lettings scheme - Waverley Homechoice - or the sub-regional scheme called Homeselecta. The exceptions to this would be in the very rare instances when a particular property is so ideally suited to the special needs of a particular high need household (e.g. those requiring specific disabled adaptations), that it would be unreasonable to advertise the vacancy under the scheme as this would unduly raise expectations for other households.

### 2.2 Section 36 - Shared Ownership amendment:



Shared ownership properties are advertised and allocated by the Zone Agents for Surrey – Thames Valley Housing Association (TVHA) or other Housing Associations. Applicants can register direct with TVHA and will be assessed by the Housing Association in accordance with their policy; the particular type of scheme the property falls within; and the applicant's financial ability to proceed with a purchase. If a share of a Waverley Borough Council shared ownership property is offered for resale in accordance with the terms of the lease, the property will also be advertised and allocated through TVHA. In order to maximise the value of shared ownership schemes and to make best use of the social housing stock in the borough, the TVHA may prioritise applications from existing Council or Housing Association tenants above those from other applicants.

### 2.3 Section 27 – additional paragraph:



In order to make best use of Social Housing stock in Waverley some properties may be advertised as 'preference maybe given to larger households' or 'to those with a medical need for ground floor accommodation or 'needing disabled adaptations'. In these instances the property may be offered to a household with less priority on the short list but who meets the preference requirement.

Maximum bedroom eligibility is determined using the following guidelines: -

Household Type	Number of Bedrooms					
	Bedsit	1	2	3	4	5
Single Person						
Cohabiting or married couple without children						
Pregnant Woman 30 weeks or more pregnant (with or without partner) with no other children						
Parent (s) with one child						
Parent (s) with one girl and one boy both under 8 years						
Parent (s) with two same sex children under 18 unless age gap is greater than 8 years						
Single person or couple with one girl and one boy where the oldest child is over 8 years						
Single person or couple with two same sex children where the oldest child is over 18 years or the age difference is 8 years or more.						
Single person or couple with three or four children						
Single person or couple with five or more children					