

ABERDEEN CITY COUNCIL

COMMITTEE	Operational Delivery
DATE	19 th January 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Choice Based Lettings – Amendment to the Housing Allocations Policy
REPORT NUMBER	CUS/22/004
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Derek McGowan
REPORT AUTHOR	Kevin Kelly
TERMS OF REFERENCE	1.1.1 and 1.1.5

1. PURPOSE OF REPORT

- 1.1 This report seeks approval for the proposed revised Allocations Policy. The revised policy takes account of the adoption of a Choice Based Lettings (CBL) approach to the letting of our council housing, which will replace the current system.

2. RECOMMENDATION(S)

- 2.1 That the Committee approves the Choice Based Lettings amendment to the Allocations Policy as detailed in Appendix 1; and
- 2.2 Instructs the Chief Officer – Early Intervention and Community Empowerment to implement the amendment to the Allocations Policy.

3. BACKGROUND

Current Letting Policy and Application

- 3.1 Aberdeen City Council currently operates a traditional allocations policy which places applicants into various groups and then assesses their applications either providing points or an assessment based on their need. When applicants complete the application form, they provide information on their household and the areas and house types they are interested in. It may be months or even years until an offer is made during which period their choices or circumstances may have changed. Applicants are further prioritised by the date when their priority was awarded. Applicants are matched with available properties that are deemed suitable and then an offer is made, the applicant can decide to either accept or reject the offer of housing. Annually the council receives around 6,000 approaches from customers applying for housing of which approximately 4,000 request advice and assistance with the process.
- 3.2 A large volume of this assistance relates to the availability of property and an explanation of the council's Scheme of Allocations because customers approach the council looking for a particular property, and under the current scheme it is not immediately obvious which properties in our stock are available to let. The process similarly generates a high volume of MP/MSP and Elected Members enquiries about housing applications, housing stock availability, priority levels and waiting list processes.
- 3.3 The current system results in a significant volume of refused offers. This impacts on Allocations Officers workload who generate the offers as well as Housing Officers who then undertake the offer and viewings. In the period between 1 April 2020 and 31 March 2021, the Allocations Team generated 4,129 offers, of which 58.5% were refused.
- 3.4 Table 1 below shows the number of offers generated and percentage of refusals for the last 3 years. On average it takes around 15 minutes for the Allocations Team to develop a shortlist and select who should receive the offer. Table 1 shows the total hours needed on an annual basis to select applicants. In 2020/2021, almost 59% of those hours are spent working on offers which are subsequently refused, for which Finance has calculated annual costs of around £10,700.

Table 1

Year	2018/2019	2019/2020	2020/2021
Offers Made	4,103	4,132	4,129
Offers Refused	48.70%	51.60%	58.50%
Average time spent making offers	1,025hrs	1,033hrs	1,032hrs

3.5 The primary causes for refusals are:

- Not interested in the area/street/block/house type.
- Wants application cancelled/deferred.
- Personal reasons.

3.6 Table 2 below shows the number of refusals in these categories for the last 3 years.

Table 2

Year	2018/19	2019/20	2020/21
Area/Street	307	372	525
Cancelled/Deferred	249	272	382
Personal	244	373	343
Total	800	1,017	1,250

- 3.7 It is also important to factor in the time required for housing management to make an offer once one has been generated. Housing Management allow a 5-day window to cover the process from receiving the offer to a conclusion which includes contacting the applicant and a viewing of the property if necessary. Additional time may be required if the applicant needs to be visited in their home prior to making the offer to conduct a Standards Assessment, also in contacting Case Officers and Support Workers to obtain further information on the applicant.
- 3.8 On average it takes about 30 minutes to make the offer and complete any paperwork when the applicant has been contacted, with an additional 30 minutes if a viewing of the property is required, not including travel time. Making contact with the applicant can be time consuming in cases where circumstances have changed and where the client has complex needs or a chaotic lifestyle. This can vary greatly depending on the individual case. The cost of refusals for 2020/2021 in Housing Officer time has been calculated by finance to be around £49,700. Adding the estimated cost of Allocations Officer time means the estimated cost of refused properties to the Council exceeds £60,000 per year.
- 3.9 Not only do refusals cost resources in terms of staff time and cost, but it can also increase the void period, incurring rent loss. In the same period 1 April 2020 and 31 March 2021, it took on average 113.9 days to re-let a property. This is higher than the Scottish average of 37.9 days. Average void loss as a percentage of rent due for all local authorities in Scotland was 1.1% and Aberdeen was 2.53%. A number of factors contribute to void times, but the refusal rate in Aberdeen is a contributory factor. Advertising available properties for people to bid on, would help ensure we meet people's preferences, and attract active waiting list applicants who are more likely to accept the offer they receive.
- 3.10 While making offers can be time consuming and costly for both the allocations and estate management staff, applicants can be left frustrated due to their

application being deferred for 12 months if they refuse a reasonable offer, in accordance with our letting policy.

Choice Based Lettings

- 3.11 Allocation of social housing is becoming increasingly choice led with the growing adoption of CBL by social landlords including Edinburgh, Aberdeenshire and Angus Councils. In this approach, landlords advertise their vacant properties, providing detailed information including photographs and video on the property and applicants are invited to make a bid on a property of their choice. Applicants are grouped into broad categories of priority, namely Movers and Starters; movers are mainly current council tenants and Starters are all other applicants. When the bidding has closed and where there is more than one bid, the applicant with the highest priority will be offered the property. If there are two bids of equal priority the applicant who was awarded priority earliest will be offered the property.

A detailed Project Plan has been drafted to ensure the smooth implementation of the policy should committee approve it.

- 3.12 CBL provides an up-to-date shortlist of applicants who have made a choice on their housing options that week. It will no longer be necessary for applicants to select areas and house types on their application form since they can bid for any areas of their choice each week, in addition applicants who are unable to bid for themselves will receive automatic bids, this is where the system bids for void property types in areas of their choice. It is anticipated that automatic bidding will be used as infrequently as possible as it takes away from the purpose CBL. Automatic bids are used when an applicant is unable to bid for themselves e.g. no access to computers or a disability. **It should be noted that just because an applicant bids for a property, this does not necessarily mean that they will receive the offer, the bidding process produces a shortlist of applicants, offers of accommodation are based on housing needs priority.**
- 3.13 Advertisements will also alert applicants that they should ensure their application details are kept up to date. This allows the applicant more control over their own application, meaning it is more likely that their offer will be one they will accept when it is made. Choice Based Lettings will empower our applicants and provide them with more choice, improving customer experience and reducing the cost of the system.
- 3.14 It is envisaged that a CBL approach will encourage a broader range of people to access social housing and give people more choice over their housing outcomes. By empowering and placing the initiative on the applicant, it is envisaged that CBL may improve demand for low demand stock, reduce refusal rates, and improve applicant satisfaction. It is also anticipated that this will lead to more sustainable and balanced communities where tenants in turn are more committed to their community, with less abandonments, crime and anti-social behaviour.

- 3.15 An evaluation of CBL as an alternative to a traditional points-based allocations policy was undertaken, drawing on government guidance and site visit to Edinburgh City Council and discussions with other CBL users such as Angus and Aberdeenshire Councils. Edinburgh for example is a good comparator Local Authority having an urban demography and similar size housing stock. See below some data comparisons for 2019/2020:

	ACC	Edinburgh
Void Rent Loss	1.86%	0.71%
Days to Re-let	69.55	28.69.
Refusals	51.79%	23.97%

All these major housing providers operate a CBL system with an established Housing Register and use Northgate's housing management system, as we currently do. It should be noted that many other factors have a more significant impact on void rent loss including the speed that repairs are completed and the make-up of the stock and low demand for certain areas and property types.

- 3.16 The evaluation explored the potential for introducing real choice, while ensuring that the council continues to meet its legal duty to give reasonable preference to those in housing need. It also explored the benefits of a CBL; any potential access and support issues; and the tensions between creating balanced communities by making social housing accessible for a variety of people and providing housing for those in greatest need.
- 3.17 It is important to note that no applicant would be excluded by the introduction of this system. Those who cannot access computers, or who are unable to use them, will be supported by officers to create a profile and will assist the applicant to manage their housing application. This is to ensure equity of access to housing and will be of particular support to some homeless applicants, and those with specific protected characteristics.
- 3.18 If approval for the amendment to the policy is given, the policy will be implemented and appropriate communication undertaken to ensure that tenants, other service users, employees, third sector organisations and managers are aware of its content. A set of procedures, processes and guidance notes will accompany the policy giving fuller details on its application.
- 3.19 Appropriate staff including Housing Officers and Housing Options staff will be provide with comprehensive and targeted training.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There will be a requirement to procure the Northgate iworld CBL module. The costs for this are as follows: Licence - £20,000, Service & Maintenance - £2,500, Implementation - £3,000, there will also be a requirement for staff training which will all be financed through the Housing Revenue Account.
- 4.2 As shown in section 3.4 above, this is a significant saving on the estimated annual cost of refused offers.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

- 6.1 This policy aims to ensure an improved customer experience by letting council homes efficiently. Providing detailed information and images of vacant homes will provide the customer with choice over the homes they wish to live in. However, there could be a potential risk that some customers may be less able to engage with the new process than others due to lack of digital access, however these will be mitigated by automated bidding options, this ensures that when a property is advertised which suits an applicant the system automatically bids for them.
- 6.2 There are no direct risks that the introduction of this policy will prevent delivery of the Council's strategic objectives and outcomes. helping to mitigate the organisational risks described and aligning with local and national housing strategy.
- 6.3 Without this amendment to the policy, the positive benefits such as helping to reduce refusal rates and assisting to reduce void rent loss may not be realised. It should be noted that there are numerous factors which impact the void period including repair timescales, staff shortages and that CBL will only be one element in producing better performance. The benefits to the applicant in terms of empowering them to make choices will also not be realised. It is important to let our houses as effectively and quickly as possible, as every day a property is empty is one that a family does not have settled accommodation. Empty properties may attract anti-social behaviour and/or criminal activity and have a detrimental impact on the surrounding community and impact the Council's reputation. This amendment seeks to reduce risks presented by the current inefficiency and enhance the Council's reputation as a landlord by working more effectively with applicants.
- 6.4 The implementation of this amendment will ensure that these risks are monitored and mitigated through the consistent implementation of this amendment. Implementation of this amendment will be monitored by the Performance Management and Quality Assurance Team with any emerging

risks escalated to the Chief Officer Early Intervention & Community Empowerment for action.

- 6.5 If approved by Committee, a phased implementation of the CBL system will be followed, with the aim of implementation in 2022. This will allow officers to ensure that the system is effective, that it has been configured appropriately for Aberdeen, and that benefits to customers and the organisation are maximised.
- 6.6 There is a risk in introducing this system amidst other organisational changes in the Housing service. This will be managed closely to ensure that officers understand the new system, are able to use it effectively, and that any issues arising are dealt with promptly. A detailed implementation plan, including testing and roll out, will be developed to ensure a successful launch in 2022.
- 6.7 There are no unintended effects, consequences or risks envisaged from the implementation of this policy.

PREVENT

- 6.8 The UK Government's PREVENT Strategy requires local authorities to ensure that publicly owned resources do not provide a platform for extremists and are not used to disseminate extremist views. PREVENT training is mandatory for all council staff who engage with the public and should understand what radicalisation means and why people may be vulnerable to it. Relevant staff have been trained on the PREVENT Strategy and will report any concerns regarding suspicious activity for action.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
Impact of Report	
People Outcome	The proposals in this report have no impact on the Council Delivery Plan.
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	The proposals in this report have no impact on the LOIP Prosperous Economy Stretch Outcome.
Prosperous People Stretch Outcomes	It is anticipated that the proposals in this report will have a positive impact on the number of episodes of rough sleeping and homelessness. It may also contribute to improved mental health and wellbeing

	by enabling people to have an improved choice of property and location to meet their needs and improving customer service?
Prosperous Place Stretch Outcomes	The proposals in this report have no impact on the LOIP Prosperous Place Stretch Outcome.
Regional and City Strategies	The proposals in this report have no impact on the Regional and City Strategies.
UK and Scottish Legislative and Policy Programmes	<p>The Housing (Scotland) Act 1987 as amended by the Housing (Scotland) Act 2001 and the Housing (Scotland) Act 2014.</p> <p>The other legislative provisions concerning the allocation of social housing and meeting the needs of homeless households set out in the Housing (Scotland) Act 2001 and Homelessness etc. (Scotland) Act 2003.</p>

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Full IIA required. No adverse equality or human rights issues were identified from the assessment.
Data Protection Impact Assessment	No full DPIA required. Screening document completed.

9. BACKGROUND PAPERS

None

10. APPENDICES

Appendix 1 – [Revised Housing Allocation Policy](#)

11. REPORT AUTHOR CONTACT DETAILS

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