

ABERDEEN CITY COUNCIL

COMMITTEE	Communities, Housing and Public Protection Committee
DATE	14 March 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Choice Based Lettings – Amendment to the Housing Allocations Policy
REPORT NUMBER	CUS/23/065
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Derek McGowan
REPORT AUTHOR	Athelstan Croft
TERMS OF REFERENCE	1.1.5

1. PURPOSE OF REPORT

- 1.1 This report seeks approval of the proposed revision to the Housing Allocations Policy. The revised policy rewords the existing policy and 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)

That the Committee :-

- 2.1 approves the revised Housing Allocations Policy as detailed in Appendix 1; and
- 2.2 instructs the Chief Officer – Early Intervention and Community Empowerment to implement the revised Housing Allocations Policy.

3. BACKGROUND

Current Situation

- 3.1 The current Housing Allocation Policy is dated 2019. In January 2022 Committee approval was granted to introduce a Choice Based Letting system. The revised Housing Allocation Policy is required to align the policy with the technical requirements of the Choice Based Letting system and to align the Housing Allocation Policy with the council's Rapid Rehousing Transition Plan.
- 3.2 Aberdeen City Council currently operates a traditional allocations policy where housing applications are graded based on need, using either points or priority awards, then placed on waiting lists where they are further prioritised by date of assessment. When applying, applicants choose from 64 designated areas across the city and specify what type of property they wish to be considered for in each. Available properties are matched to applicant's choices as

selected on their application and allocated to the household assessed as having the greatest need at that time. Applicants are contacted and offered to view the property before being asked to accept or reject the offer.

- 3.3 Annually the council receives around 4,000 applications for housing and around 7,000 approaches for advice and assistance relating to applying for housing. A large amount of this advice and assistance relates to queries involving applicant's potential waiting times for an offer and the availability of council properties that people wish to be considered for. Under the current scheme of allocation, applicants are blind to the properties available for re-let through the council's lists and therefore unable to assess their options for rehousing or make an accurate prediction about the time they may have to wait for any offer to be made. The process similarly generates a high volume of MP/MSP and Elected Members enquiries about housing applications, housing stock availability, priority levels and list processes.
- 3.4 Due to the numerous variables in demand on the lists and the availability of properties, applicants can wait a considerable period of time to receive an offer and are currently only obliged to update their details annually. Consequently, the information held on the housing register can easily become out of date if applicant's circumstances or choices have changed and they do not update their details. Furthermore, the categories applicants are asked to select on their application do not take into account the diverse range of streets, developments and properties available in each area meaning their choices can generate a range of offers they do not necessarily wish to be considered for when they make their selection.
- 3.5 The reliance on applicants to maintain their details and the imprecise options available to select properties, results in the current system generating a large number of refused offers of housing. Table 1 shows the number of offers generated and percentage of refusals over the past 4 years alongside the estimate time taken by officers to select suitable applicants from the waiting lists.

Table 1

Year	2018 /2019	2019 /2020	2020 /2021	2021 /2022	YTD 2022 /2023
Offers Made	4,103	4,132	4,129	5,359	3,024
Offers Refused	48.70%	51.60%	58.50%	65.11%	61.30%
Average Time spent generating offers	1025hrs	1033hrs	1032hrs	1340hrs	756hrs

- 3.6 Table 2 shows the four main reasons for applicants refusing offers demonstrating the main issues with the current process:

Table 2

Year	2018 /2019	2019 /2020	2020 /2021	2021 /2022	YTD 2022 /2023
Property	266	309	372	453	237

Area/Street	265	340	432	569	268
No Contact /Wants Application Cancelled	409	474	528	1,185	426
Personal	343	453	466	602	371
Total	1,283	1,576	1,798	2,809	1,302

Personal circumstances, individual aspects of the selected property, not wishing to be considered for the particular street or development within the area, and details on the application being out of date meaning the household cannot be contacted or no longer wish to apply, are all symptomatic of the imprecise criteria offered for matching applicants to properties in the current system and the reliance on customers to maintain their application details.

- 3.7 The cost of refused offers is believed to exceed £60,000 per year in staff time once the allocation, contact, administration, property viewing arrangements and discussion around refusal reason are factored, although there is huge variance across offers depending on individual circumstances.
- 3.8 Void rental loss is also affected by the refusal rate of offers. In the period 1st April 2021 to 31st March 2022, it took an average of 106.7 days to re-let a property. Average void rental loss as a percentage of rent due for all Scottish local authorities in Scotland was 1.43% and Aberdeen was 3.66%. Although only one of a number of contributing factors, the high refusal rate of council properties increases both re-let times and void rental loss.
- 3.9 The high refusal rates generated by the current process frustrate both customers and officers. The lack of transparency in the process generates a lack of trust from customers who often believe that they are being offered the less appealing properties from those available. The refusal of offers places officers in a difficult situation as they must then determine the reasonableness of each individual's refusal and whether to carry through with the council's policy of deferring applicants for 12 months if they refuse an offer.

Choice Based Lettings

- 3.10 Choice Based Lettings represents an alternative allocation process for social housing and has already been adopted by many social landlords in Scotland, including City of Edinburgh, Aberdeenshire, and Angus Councils. Using this approach, landlords advertise their available properties and applicants registered on their housing list can bid to be considered for each individual property within a particular timescale. The prioritisation of applications and selection process remains as it is, but rather than the council considering all applicants indicating an interest on its lists for each property based on the broader choices within the application, only those who have registered an interest will be selected from. It is anticipated that through the Choice Based Letting system, refusal rates will decrease to around 30% once fully operational.
- 3.11 Advertisements for properties will include photos of the specific property along with a large amount of information including its location in the city, council tax

banding, heating type, parking access, allowance of pets, access steps, and bathroom facilities.

- 3.12 Choice Based Lettings empowers the customer to make a positive choice about their housing situation and engages them in the process. It allows customers to see all the properties available for offer across the city, eliminating the mistrust that better properties are available or restricted to particular groups. It also allows them to consider the individual aspects of properties and area that currently cause them to refuse offers. Furthermore, as they are obliged to actively select what they wish to be considered for they have a vested interest in maintaining their details and will not be considered for an offer if they are no longer looking for housing.
- 3.13 Following the advertisement of each property, applicants will be able to see their queue position in relation to other bidders to determine the likelihood of an offer. They will also be able to view their bidding history to see how their position has changed over time.
- 3.14 It is envisaged that this transparency in the process will eliminate the need for a large percentage of the requests for information currently received from customers through the Housing Options Team and Member's Enquiries regarding the availability of properties and their likelihood of receiving an offer of housing.
- 3.15 For households determined as being in the highest need of housing on our lists, the Council will operate an Autobid Function whereby applicants considered a priority will automatically be considered for properties that are deemed to meet the criteria of their needs after 21 days of receiving the priority award. This will ensure that the legal duties of the Council to prioritise groups within the Reasonable Preference groups are met as they will be considered for anything suitable that will resolve their housing issue. It will also ensure that those deemed to be in high priority do not prolong their stay in unsuitable living situations when housing is available that could resolve their situation.
- 3.16 It is envisaged that a Choice Based Lettings approach will encourage a broader range of people to access social housing and give people more choice over their housing outcomes. By providing applicants with full transparency of available housing and empowering them to choose what they are considered for, it is envisaged that Choice Based Lettings will improve customer satisfaction in the process and reduce rates of refused offers. 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 abandonment, crime and anti-social behaviour.
- 3.17 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.

- 3.18 Appropriate staff including Housing & Support Officer and Housing Options staff will be provided with comprehensive and targeted training.
- 3.19 Customer testing of the choice based letting platform commenced in February 2023 with a selected group of existing Housing Online users, under existing delegated powers for hard to let properties. Learning from this process will be applied prior to contacting all current housing applicants to advise of the choice based letting implementation. Implementation will also be impacted by Digital & Technological resources required to update the system so that it remains 'in support' with the vendor and the work required as part of the annual rent setting and implementation.

4. FINANCIAL IMPLICATIONS

- 4.1 As demonstrated in section 3.6 and 3.7, we believe the implementation of this policy will reduce the cost of refused offers and void rental loss.

5. LEGAL IMPLICATIONS

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

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

- 7.1 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 identified as a priority for housing the system automatically bids for them.
- 7.2 There are no direct risks that the introduction of this policy will prevent delivery of the Council's strategic objectives and outcomes. The policy should help to mitigate the organisational risks described and align with local and national housing strategy.
- 7.3 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, workforce availability and that Choice based Letting 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.

7.4 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.

7.5 There are no foreseen unintended effects, consequences or risks envisaged from the implementation of this policy.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) <small>*taking into account controls/control actions</small>	*Does Target Risk Level Match Appetite Set?
Strategic Risk	This policy will ensure the continuation of statutory services as they currently operate.	Software processes will prevent officers from allocating properties outwith the policy. Procedures and staff training will provide consistency in policy delivery.	L	Yes
Compliance	The policy clearly outlines the agreed principles through which all properties will be allocated to comply with government legislation and guidance.	Software processes will prevent officers from allocating properties outwith the policy. Drafted procedures and staff training will provide consistency in policy delivery.	L	Yes
Operational	This policy will ensure our staff provide a	Communication to customers and staff will be sent to ensure all are aware of the new letting	L	Yes

	consistent and robust approach in allocating our council houses. It also provides those applying for housing with greater transparency of the process so they can make a better informed choice about whether they wish to seek council housing.	process and are supported to participate.		
Financial	Void rent loss due to unoccupied properties	As demonstrated above CBL should reduce the number of refused offers and therefore reduce the void rental period.	L	Yes
Reputational	If launch of the CBL platform is not successful	Extensive internal testing of the system has been carried out and a soft launch of the public online portal has been tested for issues.	L	Yes
Environment / Climate	No significant risks identified			

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
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 successful

	offers of housing made across the city and empower customers to make positive choices about their housing situation increasing customer satisfaction and tenancy sustainment.
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.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Full IIA not required. No adverse equality or human rights issues were identified from the assessment.
Data Protection Impact Assessment	No full DPIA required. Screening document completed.

10. BACKGROUND PAPERS

10.1 [Social Housing Allocations in Scotland: Practice Guide](#)

10.2 [Social housing allocations legal framework: statutory guidance for social landlords](#)

10.3 [Homelessness: code of guidance](#)

11. APPENDICES

11.1 Appendix 1 – [Revised Allocation Policy 2023](#)

12. REPORT AUTHOR CONTACT DETAILS

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