

**Bolsover District Council**

**Executive**

**13 July 2015**

**Choice Based Lettings – 2015 Review**

**Report of the Portfolio Holder for Housing**

This report is public

**Purpose of the Report**

- To update member on the Choice based letting system
- To introduce a number of minor changes to the CBL system and application form
- To consider making changes to IT systems used by CBL

**1 Report Details**

The Council introduced a Choice Based Lettings (CBL) system in January 2012. Since this time over 1400 properties have been let through the system and there are currently around 1900 applicants on the register.

The idea behind CBL is that it offers applicants more choice over where they would live (subject to property size) by 'bidding' for properties. This differs from traditional system where the council allocates properties to people. The CBL system is more transparent and involves people in making choices over where they want to live.

There is an opportunity to make some changes to the system with a number of minor changes that have been driven by:

- Experiences of applicants, staff and councillors
- Feedback from Scrutiny reviews
- Recommendations made by audit reports
- Changes to legislation.
- Changes in the relationships with others, and
- General clarification of the existing system.

This will result in changes being made to the allocations policy, and the way people bid for properties.

**Section 1 – Allocations Policy**

- a. Sub Regional Scheme

In 2012 when the scheme was introduced the council, along with partners in north East Derbyshire, Chesterfield and Bassetlaw agreed that a small percentage of properties would be allocated using a system that was common across the sub-region, with the aim of increasing mobility to allow people to live closer to relatives or work. Although a percentage of properties were advertised this way, even these were usually let to local people, and the scheme had only limited success. More recently Chesterfield and Bassetlaw have announced their withdrawal from the scheme. It is therefore proposed to end the scheme once others withdraw from the scheme.

## **Quotas**

The 2012 scheme contained an appendix that determined how many properties would be placed into which band. This suggested

Band A – 20% - Urgent housing needs

Band B – 15% - High Housing Needs

Band C – 50% - Some housing needs

Band D – 5% - Low Housing Needs

Sub regional 10% - Let through sub-regional scheme.

The wording around this was unclear and did not make it clear that this applied to general needs housing only. Although this was later clarified with Scrutiny, the policy was not amended.

An analysis of the current banding for people on the waiting list gives the following result

Band A – 0.5% people in urgent housing need

Band B – 3.7% people in high housing need

Band C – 73.3% people with some housing need

Band D – 23.4% people with low housing need

Of these, many people in Band A and B are people with medical needs or a disability who need properties with specific adaptations to suit their needs, or need other accommodation that is in short supply. This Band also includes people to whom the council has a legal responsibility to rehouse, this includes people who are homeless.

It is therefore recommended that the quota system is simplified and a set of rules will be adopted

1. People in band A who have a need for specialist accommodation will be matched directly to properties, and these will not be advertised. Very specialist accommodation, such as a fully adapted house or a paraplegic bungalow will be allocated through the Housing Allocations and Review Panel (HARP) to ensure they are allocated to the people whose needs would be best met.

To clarify this change only applies to properties that are very specialised. Other properties may still be advertised in Band A for applicants who are placed in this band for other reasons, for example homeless or in accommodation that is unfit.

2. All properties that have an adaptation (excluding minor adaptations such as handrails or a shower over a bath) will be placed in Band B. In addition a random 10% of all properties of two bedrooms or less will be placed into Band B and if unfilled after one round of bidding, these will be advertised as Band C.

If a person wants to downsize from a property that is 4 bedrooms or above into a 3 bed property, this will be considered by the HARP panel.

3. All general needs and bungalow properties will be initially advertised as Band C. If these are not let they will be advertised as Band D. However, if there have been similar properties in a locality that have been difficult to let within the last 8 weeks, properties may be advertised as Band D immediately.

## **Medical Points**

The system of medical points currently works well with additional priority being offered where rehousing will lead to an improvement to the life of an applicant. The system does this by considering the current accommodation as well as the medical need.

The system could however offer very high priority to people from outside the district with medical needs. It is therefore recommended that the policy is altered to ensure that urgent medical priority and urgent medical priority can only be offered to people who are currently living within the district. Exceptions can be agreed by the HARP panel.

## **Eligibility**

The current allocations policy contains the following statement “Any applicant who has been rehoused by the council into a secure tenancy will not be able to reapply for housing for a period of 12 months after the starting date of their tenancy. Exceptions can be agreed by the HARP panel”

The process of reletting a property has a cost to the council, even if a property is in immaculate condition there is the need to carry out safety checks to the gas and electricity, and often there is additional cost in carrying out repairs and a rent loss whilst the property is empty.

It is therefore proposed to increase the 12 month period to a 3 year period, with exceptions being agreed by the HARP panel.

The Council will instead promote Mutual Exchanges where tenants can swap homes, with this system the incoming tenants takes all responsibility for the condition of the property, which minimises the risk to the council.

It is also proposed to include an additional clause that would prevent people who have voluntarily given up their tenancy from applying for a property for a period of at least three years. The current policy allows the Council to exclude people who have acted in a way to worsen their own housing situation, or failed to take action that would have prevented their

housing situation from worsening. It is proposed to make this clearer by introducing an additional clause.

“Tenants who have voluntarily given up a tenancy, including assignment, will be unable to apply for housing for a period of at least three years starting from the final day of their tenancy. Exceptions can be agreed by the HARP panel.”

### **Applicants with Housing Related Debt**

Under the current system an applicant with a housing related debt can be suspended from the waiting list. This is not a blanket rule, and we will look at the circumstances of the debt. However, some applicants have been trying to work around this by including a person with debt as a person to be rehoused with the applicant rather than a joint applicant.

It is proposed to address this by amending the reason from suspension for debt to include any member of the household. This will involve changes to both the policy and the application form. Again, this will not be a blanket exclusion and exceptions can be agreed by the HARP panel.

### **Exclusions**

The Council is committed to tackling anti-social behaviour and ensuring that our properties remain places where people chose to live.

The current allocations policy allows people to be excluded from the waiting list where there have been serious cases of anti-social behaviour and the actions of the tenant were so serious that the council could have gained an outright possession order against the tenant. This is a high level of proof.

It is proposed to make this a more general statement that the Council may exclude applicants from the Housing Register if we have evidence they have behaved in an unacceptable way and we consider this makes them unsuitable to have a Council tenancy

This means the following will be excluded.

- a. People who are current tenants of the Council (or other Council's or Housing Associations) who fail to pay their rent or other charges
- b. People who are current tenants of the Council (or other Councils or Housing Associations) who have (either themselves or a member of their household) broken the condition of their tenancy and this breach is so serious that the Council or (Housing Association) have been granted a suspended possession order. In this case the Council will not consider the applicant until the breach is rectified and the applicant has successfully applied to the court to have the conditions revoked.
- c. Former tenants of the Council (or other Council or Housing Association) who have lost a previous home as a result of a breach of tenancy.
- d. Tenants within the private sector who have breached the terms of their tenancy and the landlord has gained a possession order. This excludes the mandatory

possession under ground 8 where the court must grant possession if the tenant has rent arrears of over 8 weeks.

- e. People who cause or are likely to cause a nuisance or annoyance to people who live, visit or work in the locality of the home; or to the Council (as landlord) or any person employed in connection with the exercise of the Council's housing management functions, and that conduct affect these functions.
- f. People who are or have been subject to an Anti Social Behaviour Injunction, an Anti Social Behaviour Order, a Criminal Behaviour Order, a Community Protection Notice, a Closure of Premises Order.
- g. People who allow their home to be used for immoral or illegal purposes.
- h. People who make false statements about their housing situation .
- i. People who have been convicted of an offence (which carries with it a custodial sentence, whether or not custody was imposed) which was committed in, or in the locality, of their home, or committed elsewhere against a person with a right to reside, in or occupy housing accommodation in the locality, or was committed elsewhere against the landlord of the home, or a person employed in connection with the exercise of the Council's housing management functions, and that the conduct affects these function.
- j. People who let the condition of their existing property to deteriorate by a deliberate act, or by neglect.

We will act reasonable when we decide to exclude an applicant and we will consider all the relevant information before we make any decisions. In all cases applicants will be informed of the Council's decision in writing, and this will include a right to appeal.

In determining the issue it is not necessary for the applicant to have been a tenant of the Council when the poor behaviour occurred – for example an applicant who previously had a tenancy with a private landlord and was in arrears of rent or had been guilty of anti social behaviour will be subject to this part of the Policy. Also, the poor behaviour is not limited to the applicant – it extends to behaviour caused by a member of the applicant's household and visitors to the applicant's home.

An applicant can be excluded at the start of the application process, immediately prior to offer when officers are carrying out intensive checks (also see section on vetting). Or at any time when the Council becomes aware of information about the applicant that suggest they should be excluded.

### **Connection with the District.**

The current policy allows an applicant to establish a local connection if they have permanent employment within the District and this has lasted more than 12 months. It is proposed to alter this to say "People who have permanent employment within the District, working more than 12 hours per week, and this has lasted more than 12 months"

It is also proposed to add an additional section that makes it easier for key workers to establish a local connection.

Any Key Worker who has permanent employment of over 12 hours per week, or an offer of permanent employment of over 12 hours per week will be regarded as having a connection with the District. Key workers are regarded as Teachers, Teaching Assistants, Nurses, Polices Officers and Fire Fighters. In addition Executive may, from time to time, add to this list and include employees of certain companies if access to accommodation is viewed as a barrier to growth or relocation to the District.;

### **Under occupation**

As there is a shortage of one bedroom general needs properties within the District, it is possible for a single person or a couple to be allocated a two bed flat, where the tenants will be subject to the bedroom tax. It is not proposed to change this, but to introduce an additional step of a financial assessment prior to offer. Where officers will interview applicants to explain the costs associated with living in a property, and makes a financial assessment on their ability to meet this commitment.

If this assessment suggests that that the accommodation would be unaffordable the offer will be withdrawn and the applicant awarded financial needs points for a one bed property only, unless these have already been awarded.

An alternative to this would be to only allow single people and couples to apply for one bed properties. However, given the shortage of one bed properties this would mean that many people had no realistic chance of being rehoused for several years. It is felt the additional financial assessment offers more flexibility.

### **Housing Application Form.**

The current housing application form included, at the request of the previous Housing Strategy Officer, a number of additional pages with questions about the applicants preferences which was intended to inform future housing development. However, no analysis has been carried out on the data collected.

A scrutiny review of Choice Based Lettings suggested that this information is removed from the application form once current stocks run out. This is now the case, and it is suggested that the from is redesigned – with the final form being agreed by the Head of Housing in consultation with the Improvement Scrutiny Panel.

The same review of CBL also suggested incorporating other changes to the CBL system, in particular excluding people with either equity / savings over a particular level or with income over a certain level. Applicants would be excluded from the applying for housing if they had high level or savings and/or income. Previously members have not wanted to ask these questions to applicants.

It is proposed that the Housing Working Group that was established at Junes Executive to consider sheltered housing provision is also asked to consider if the allocation policy should be altered to consider the following issues.

- a. Should applicants to be asked about their level of income?, and

- b. What level of income should exclude people from the waiting list?
- c. Should applicants be asked about their level of savings and equity in their current home? And
- d. What level of savings or equity should exclude people from the waiting list?
- e. Should applicants be asked if they own any other property (in any part of the world), and
- f. Should this exclude people from the waiting list

The group will report back to Executive after a period of no greater than 6 months, with their findings.

### **Multiple Applications**

Under the current system a person may appear on more than one application. For example, an adult child living with parents may appear as part of their parent's application (as someone you want to be rehoused with the main applicant) and also make an application in their own right. In some cases it may appear that two households are overcrowded.

It is proposed to amend the eligibility rules to make it clear that a person may only be on one application form, and that an application made by a person in their own name would take precedence.

Similarly, especially in cases of couples living apart, Partner A may make an application with Partner B as either a joint applicant or a member of the household whilst Partner B may make an application with Partner A as either a joint applicant or a member of the household. In such cases it is recommended that only the higher scoring form is considered, and the other application cancelled.

### **Forces personnel.**

The allocations scheme aims to ensure that people who have served in the forces are not penalised because of this. It allows this by ensuring that people with a connection to the district who live elsewhere (for example on camp) during service are treated as if they were living within the district for this period. This applies to people currently serving and for up to 2 years after leaving.

To ensure that this is not overlooked it is proposed to add an additional question onto the applications form to ask "Have you or any member of the household spent any time in the armed forces" with an additional section to provide dates and details.

### **Vetting Tenants**

The original CBL policy suggested that references are taken for all applicants prior to an offer of accommodation. However, in practice this has proven difficult with some landlords reluctant to provide references, or not providing them in a reasonable time. This may lead

to delays in letting properties. Note, that current tenants of Bolsover Council are not asked to provide references.

It is therefore proposed to change this process, to allow it to operate more efficiently.

Firstly, applicants will be required to provide references at time of application. A failure to provide an appropriate reference will mean the application is not considered.

For existing applicants, who have not provided a reference they will be required to provide a reference at the time of their next annual review. Their application will not be considered until a reference is provided.

Secondly. At the time of allocation an additional up to date reference will be requested. This will always be required for applicants who are either tenants of another local authority or Housing Association.

If a private landlord does not provide a reference within 7 days the applicant will be asked to attend a further interview with a member for the Housing Needs team. This will involve asking a series of questions about their history of behaviour and their ability to conduct a tenancy (this is in addition to any financial assessment that is carried out). This information will be recorded on a 'Declaration of Truth' form (see appendix). The information from this form will be used to complete a risk assessment of the applicant before any firm offer of accommodation is made. The tenant will be made aware that if a tenancy is granted, and the information is incorrect, the council may take action to evict the tenant.

Copies of all paperwork (including the references request, the statement of truth and any risk assessment) will be kept and form part of the tenancy file if a tenancy is granted and be recorded on the Academy system.

## **Section 2 – Bidding for Properties.**

When the CBL system was introduced it introduced a number of ways for bidding for properties. The usage is shown on the following table

Autobid	Automated Telephone System	Text Message	Contact Centre/Housing Staff	Website	Total
3955	26	33	1699	15102	20815

As can be seen, some of these methods have proven to be less popular than originally envisaged. The JAD Community Safety and Head of Housing has used their delegated power to remove the following options

Telephone Bidding – saving around £2,500 per year. This has only been used for 26 bid since CBL was introduced, and not at all since August 2014



SMS bidding – saving around £3,500 per year. This has only been used for 33 bids, by 11 people and not used at all since August 2014.

This will generate a saving of around £6,000 per year with no noticeable change in service.

The CBL system was procured sub regionally using external funding and in effect at zero cost to the authority other than a cost of an interface. However, the annual licence fees do lie with the council and are paid from within the HRA. With the demise of the sub-regional scheme the choice of provider is less constrained. It is therefore proposed that the Head of Housing looks at alternative provision through Academy the main supplier of the Housing Management System.

If a business analysis of a period of 5 years suggests that this will provide a cheaper option with similar functionality then the Academy option can be procured. This should be a decision delegated to the Head of Housing and agreed in consultation with the Executive Director of Operations and the Portfolio Holder for Housing

## **2 Conclusions and Reasons for Recommendation**

- 2.1 The CBL system has, in general, worked well and is understood by the majority of applicants. However, there is an opportunity to make some minor changes to the system.
- 2.2 Some changes to the application form were identified by a Scrutiny review. It is proposed to make changes to the form to make it easier to complete and to reflect minor changes to policy.
- 2.3 The withdrawal of 2 councils from the sub regional CBL scheme allows the Council to consider if other IT systems offer better value to the council.
- 2.4 Members will ask the Housing Working group to consider if they wish to include assessments of savings/equity or income as part of the assessment of eligibility, and if so what is the appropriate level, and to report back to a future meeting of Executive.

## **3 Consultation and Equality Impact**

- 3.1 None directly. The original CBL scheme was subject to intensive consultation with a range of stakeholders. The changes proposed in this report are considered as minor and no further consultation has taken place.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 Do nothing. Not considered as a series of relatively minor changes should improve the system for all users and meet the demands previously identified by Scrutiny.

## **5 Implications**

## **5.1 Finance and Risk Implications**

There have been savings of around £6,000 per year from the withdrawal of SMS and telephone bidding.

There may be additional savings from switching to a different CBL system but this has not been quantified.

## **5.2 Legal Implications including Data Protection**

Not directly from this report.

## **5.3 Human Resources Implications**

Not directly from this report

## **6 Recommendations**

6.1 That the Council withdraw from the sub-regional choice based letting system. The time-frame for this to be determined by the JAD of Community Safety and Head of Housing in consultation with the Portfolio Holder for Housing.

6.2 That a number of minor changes to the Allocations scheme are made to have the following impacts

- a. The quota system for properties is replaced by a simplified set of rules
- b. High level medical points are only offered to residents of the District
- c. Applicants who have been rehoused by the Council will not be considered for alternative accommodation for a period of at least three years
- d. An applicant who have given up a tenancy will be excluded from the waiting list for a period of at least three years
- e. Households may be suspended from the waiting list if any member of the household has a housing related debt.
- f. People may be excluded from the waiting list if the Council consider their behaviour makes them unsuitable to hold a tenancy.
- g. People from outside the District will be treated as if they reside in the District if they have a job within the district that has lasted for more than 12 months and is for more than 12 hours per week.
- h. New financial check will be introduced for applicants who may be unable to afford their accommodation
- i. People will only be able to appear as part of one application.

6.3 The Housing Application form will be simplified. Additional questions will be used including questions about a connection to the armed forces.

6.4 That members note that the Assistant Director of Community Safety and Head of Housing has used delegated powers to stop using some types of bidding as they did not offer value for money.

6.5 The Assistant Director of Community Safety and Head of Housing is given delegated authority, following consultation with the portfolio holder for housing, to introduce an alternative CBL system if this provides better value than the existing system.

6.6 Members will ask the Housing Working Group to consider the following questions, and report back to a future meeting of Executive.

- a. Should applicants be asked about their level of income?, and
- b. What level of income should exclude people from the waiting list?
- c. Should applicants be asked about their level of savings and equity in their current home? And
- d. What level of savings or equity should exclude people from the waiting list?
- e. Should applicants be asked if they own any other property (in any part of the world), and
- f. Should this exclude people from the waiting list

## 7 Decision Information

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	
<b>Links to Corporate Plan priorities or Policy Framework</b>	

## 8 Document Information

Appendix No	Title
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Report Author</b>	<b>Contact Number</b>