

**Sustainable Communities Scrutiny Committee
Policy Review 2009 – 2010**

**Access to Social Housing in Sunderland
Draft Report**

Contents

1	Foreword from the Chairman of the Committee.....	2
2	Executive Summary.....	3
3	Review Process and Scope.....	5
4	Approach.....	7
5	Findings and Conclusions.....	8
6	Summary of Conclusions.....	20
7	Recommendations.....	Error! Bookmark not defined.
8	Monitoring.....	Error! Bookmark not defined.
9	Bibliography.....	Error! Bookmark not defined.
	Appendix 1 – Research Undertaken.....	Error! Bookmark not defined.

1 Foreword from the Chairman of the Committee

On behalf of the Sustainable Communities Scrutiny Committee I am delighted to publish this report. I would like to thank all those who participated in the process, for their time, effort and commitment to helping Sunderland continuously improve.

Conducting this piece of work has been very worthwhile and has engaged a large number of people. We have been able to look at the issues involved in depth. It is one of the real strengths of the scrutiny process that the committee can look in such detail at a particular aspect of council business and work with officers and key stakeholders to look at how services can be improved.



Social housing is extremely important and the way in which people access this resource is equally significant. Housing allocations need to be simple, convenient, transparent and fair. As this report illustrates, and throughout the committee's evidence gathering, one thing is clear any new allocation system will not increase the social housing stock. What it will do is make better and more effective use of a resource, which through the economic downturn and the effects of the recession, is in demand more than ever.

It is hoped that through the work undertaken by the scrutiny committee, council officers, our key partners and stakeholders that improvements can be made to the way in which people access social housing, and that ultimately the experience of applying for social housing is one of greater choice and fairness.

Councillor Susan Watson, Chair of the Sustainable Communities Scrutiny Committee

2 Executive Summary

2.1 At the start of the 2009/10 municipal year Members of the Sustainable Communities Scrutiny Committee agreed to review access to social housing in Sunderland.

2.2 The title of the review was agreed as 'Access to Social Housing in Sunderland' and its objectives were agreed as:

2.2.1 To provide a national and local context to the availability of social housing in the city.

2.2.2 To consider the current ways by which people access social housing in the City.

2.2.3 To identify and highlight the issues relating to how people access social housing in the City.

2.2.4 To look at what services are available to support people to access social housing.

2.2.5 To investigate how the Council and its partners work together.

2.2.6 To look at the potential impact of Choice Based Lettings on how people access social housing.

2.2.7 To ensure that a single route in to social housing is attained so that improved customer outcomes are achieved.

2.2.8 To consider examples of best practice and innovative provision from local authorities and other key stakeholders across the country in relation to access to social housing.

2.3 The approach to this work included a range of research methods namely:

- Desktop research – review of relevant documentation including government documents such as the Fair and Flexible: Statutory Guidance on Social Housing Allocations for Local Authorities in England
- Interviews – with key individuals both internally and externally
- Focus groups – with key individuals both internally and externally
- Presentations at committee

2.4 The review made the following overall conclusions:

2.4.1 Policy Drivers

The tensions in ensuring that policy making caters for those most in need and at the same time making the social housing market attractive to new households is difficult. The sustainability of neighbourhoods and wider society very much depends on social housing being seen as the affordable housing of choice as well as of necessity. Central government is driving the change in the allocation of social housing through the 'Sustainable Communities: Homes for All' 5 year housing plan (2005) which requires authorities to adopt a Choice Based Lettings Scheme by the end of 2010.

2.4.2 Managing Expectations and Myth Busting

The myths and expectations that surround social housing are numerous. It is important that in developing new processes and systems that expectations are

managed and misconceptions are debunked. Throughout the review the importance of keeping people informed and providing greater clarity around the process was highlighted.

2.4.3 Transparency of Process

In aiding the removal of misconceptions the transparency of the allocations process is paramount. The simpler the process, the less room for abuse and the more people will understand it. In providing more information, greater feedback and a greater transparency in the allocation of social housing will lead to the removal of confusion and misconceptions around policy and process.

2.4.4 Private Landlords Role

Private landlords have an important role to play and increase the housing opportunities within the city. The accreditation scheme while heralded as a good scheme was felt to penalise those good landlords rather than the other way round. The importance of creating ongoing relationships on a two-way basis with private landlords was also seen as important and a key action for supporting and improving service delivery.

2.4.5 Choice Based Lettings

The process of Choice Based Lettings was seen by the key stakeholders interviewed as the system to provide greater transparency, choice and information to customers. There are also drivers across the sub-region to expand Choice Based Lettings to a sub-regional arrangement that will provide for even greater choice and movement of households. The system will not be suitable for all social housing providers and some of the more specialist providers have indicated the unsuitability of CBL schemes in relation to their policies.

2.4.6 Fair and Flexible

The Fair and Flexible guidance provides local authorities with the real opportunity to engage local people, neighbourhoods and communities in developing and raising awareness around allocation policies. This can only improve awareness, help to dispel myths and create a greater understanding around allocations. It will also provide an opportunity for the major stakeholders to develop policies that can best meet the demands and needs of the specific environment which it caters for.

2.4.7 Banding System

Any Choice Based Lettings system requires a priority or banding system to ensure those with the greatest need are not disadvantaged. The hierarchical nature of such systems is virtually impossible to escape from. The Coventry example shows how banding systems can be developed to ensure a degree of fairness to all applicants. However, what is important in any banding or priority model is that those most vulnerable and at risk within communities are identified and given the support and confidence from the system.

2.5 The following recommendations are made as a result:

3 The Review Process & Scope

3.1 In undertaking a scrutiny review a number of stages are involved in the process and these stages are broadly defined as follows:

Stage 1 Scope	The initial stage of the review identifies the background, issues, potential outcomes and timetable for the review.
Stage 2 Investigate	The Committee gathers evidence using a variety of tools and techniques and arranges visits where appropriate.
Stage 3 Analyse	The key trends and issues are highlighted from the evidence gathered by the Committee.
Stage 4 Clarify	The Committee discusses and identifies the principal messages of the review from the work undertaken.
Stage 5 Recommend	The Committee formulates and agrees realistic recommendations.
Stage 6 Report	Draft and final reports are prepared based on the evidence, findings and recommendations.
Stage 7 Monitor	The Committee monitors recommendations on a regularly agreed basis.

3.2 Members agreed that the review would consider the following issues related to accessing social housing in Sunderland:

- Who are the key stakeholders in social housing in Sunderland?
- What is the current experience of people looking to access social housing?
- What are the current allocations policies in use across the city and how do these work?
- What advice is available to people looking for housing and how is this signposted?
- What is the current supply and demand for housing across the city?
- What is the role of Private Sector Landlords in housing provision and how does this compliment social housing?
- What are the barriers to accessing housing in the city? Do these barriers change depending on circumstances?
- How do key partners work together and what barriers exist to effective access to housing?
- What are Choice Based Lettings and how would this work in Sunderland?
- How would a Choice Based Lettings scheme improve access to housing across the city?
- How can a single route into housing be achieved?
- What policies and practices are working successfully in other local authority areas and what can Sunderland learn from these?

3.3 The title of the review was agreed as 'Access to Social Housing in Sunderland' and its objectives were agreed as:

1. To provide a national and local context to the availability of social housing in the City;
2. To consider the current ways by which people access social housing in the City;
3. To identify and highlight the issues relating to how people access social housing in the City;
4. To look at what services are available to support people to access social housing;
5. To investigate how the Council and its partners work together;
6. To look at the potential impact of Choice Based Lettings on how people access social housing;
7. To ensure that a single route into social housing is attained so that improved customer outcomes are achieved;
8. To consider examples of best practice and innovative provision from local authorities and other key stakeholders across the country in relation to access to social housing.

3.4 Members agreed that as the review progressed, they may feel that the review should narrow or widen its focus further in order to ensure that robust findings and recommendations are produced.

4 Approach

4.1 The approach to this work included a range of research methods namely:

- Desktop research
- Use of secondary research e.g. surveys
- Evidence presented by key stakeholders
- Evidence from members of the public at meetings or focus groups
- Site visits
- Questionnaires
- Expert Witness evidence

4.2 All participants were assured that their individual comments would not be identified in the final report, ensuring that the fullest possible answers were given.

4.3 Time restrictions did not allow large scale surveys to be carried out for this research, therefore it should be noted that many of the statements made are based on qualitative research i.e. interviews and focus groups. As many people as possible were interviewed in an attempt to gain a cross section of views, however it is inevitable from this type of research that some of the statements made may not be representative of everyone's views. All statements in this report are made based on information received from more than one source, unless it is clarified in the text that it is an individual view. Opinions held by a small number of people may or may not be representative of others' views but are worthy of consideration nevertheless.

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5 Findings and Conclusions

Findings relate to the main themes raised during the committee's investigations and evidence gathering. Following each set of findings are the conclusions drawn from the research and recommendations made as a result.

5.1 Social Housing – The National and Local Picture

Housing: Facts and Figures – The National Perspective

- 5.1.1 The last 25 years has seen the social housing sector become smaller as a proportion of the total of all households, the proportion fell from 31.7% in 1981 to 17.7% in 2008. It is estimated that in 2008 there were approximately 3.8 million households in the social rented sector.
- 5.1.2 The stock of social housing within in England at 1st April 2008 was estimated at 4.1 million properties with approximately 2.25 million owned by housing associations (55%) and 1.8 million owned by local authorities (45%).
- 5.1.3 It is also estimated that approximately 5 million people will be on social housing waiting lists by 2010, a million more than in 2008. Also in England in 2007 there were almost 100,000 homeless households, twice as many as in 1997, and by the end of March 2009 there were 64,000 homeless households living in temporary local authority accommodation. It should also be noted that black and ethnic minorities represented just under a quarter of all households found to be homeless in England.
- 5.1.4 There are also currently more than 750,000 empty homes in England made up of surplus flats built for buy-to-let landlords, failed private rented properties and homes left pending delayed regeneration schemes.
- 5.1.5 In 2006-07 there were a reported 554,000 overcrowded households in England.
- 5.1.6 In a drive to increase the numbers of affordable homes across England the Government has invested £141 million into a council housing drive. This is part of an extra £1.5 billion in the Housing Pledge made in June 2009 to build an extra 20,000 much needed affordable homes. This is not only aimed at getting councils building homes again but also in helping Housing Associations build more affordable homes too.

Housing: Facts and Figures - The Local Perspective

- 5.1.7 The City of Sunderland is the industrial capital of the North East of England and has an overall population of 280,300 (based upon the Office for National Statistics mid-2007), who reside in 119,275 households (with a tenure breakdown of 63% owner occupation, 34% social rented and around 3% private rented sector).
- 5.1.8 Sunderland has significant deprivation with 11 of its 25 wards in the top 10% most deprived in the country. On average, men in Sunderland live 75.3 years compared with 76.9 years for England and the life expectancy of women is 79.4 years

compared the England average of 81.1 years. Average life expectancy in Sunderland has increased consistently over the last 10 years.

- 5.1.9 The number of households in Sunderland is expected to rise to 137,000 by 2029.
- 5.1.10 There are currently over 20,000 people on various social housing waiting lists in Sunderland.
- 5.1.11 Gentoo has successfully applied for Government funding which will result in the erection of 422 dwellings across 5 schemes.
- 5.1.12 At the end of March 2009 there were 17 households in Sunderland living in temporary accommodation, 8 of whom had dependent children – this is a decrease from 29 households living in temporary accommodation in 2008.
- 5.1.13 In 2008/09 there were 217 people accepted as homeless in Sunderland, a decrease from 433 in 2007/08. Also there were 673 people who were prevented from becoming homeless in 2008/09 an increase from 363 in 2007/08.
- 5.1.14 There are also more than 5,000 empty properties currently in Sunderland, 2390 of which are in the private sector and have been empty for more than 6 months.
- 5.1.15 The current system by which people access social housing in Sunderland is flawed and doesn't focus on the customer, their needs or expectations. It is:
- Confusing for customers;
 - Has duplication within it;
 - Access and nomination arrangements are multi-stranded;
 - Exclusion policies are not standardised;
 - It is seen as not fair;
 - Not transparent;
 - Lack of choice;
 - Inconsistent;
 - Does not manage customer expectations.

Conclusions

- 5.1.16 The social housing sector has changed considerably over the last 25/30 years, particularly as a result of the right to buy. The sector is getting smaller and there is pressure on social landlords to concentrate even more on housing those economically disadvantaged and most in need. Whether the trend will continue, of new entrants to the social housing market being of low incomes is difficult to determine. Also in recent years it has become increasingly difficult for a greater percentage of the population to move into home ownership.
- 5.1.17 Research by the Homes and Community Agency has identified that a tension exists in policy making between allocating social housing to those most in need and at the same time trying to make it a 'tenure of choice' that can attract and retain households. Retaining higher income households within the sector can play an important role in supporting longer term sustainability of neighbourhoods and communities. However, in a climate of restricted public spending and slow economic growth there is a pressure to ensure that scarce resources go to those most in need.

- 5.1.18 Sunderland's access to social housing is like in many other parts of the country, in that it is confusing, creates duplication, lacks transparency and fails to manage customer expectation. The main social housing provider, as in 55% of England, is a housing association and for many council tenants this means that without moving house they have become housing association tenants.
- 5.1.19 Changes to the housing allocations policy will improve the service provided to the customer and through better use of limited resources will help meet the housing needs of the city more effectively. As well as these local drivers for change there are also national policy drivers including the authorities statutory duties in relation to homelessness, and the requirement under the 'Sustainable Communities: Homes for All' 5 year housing plan (2005) to adopt a Choice Based Lettings Scheme by the end of 2010.

5.2 Social Housing Providers

- 5.2.1 There are approximately 27 Housing Associations and/or Registered Social Landlords (RSL's) managing the social housing stock within Sunderland. The majority of this stock is managed by Gentoo, and they are by far the largest social housing provider within Sunderland.
- 5.2.2 Each housing association has its own waiting list, application forms, offices, allocations policy and priorities. Sunderland City Council also, by law, has an allocations policy and a housing register despite possessing negligible housing stock. However, the Council does have nomination rights on certain housing association properties.
- 5.2.3 At a focus group held with social housing providers it was clearly identified that access to housing in the city was difficult due to factors including the lack of turnover of properties, individual housing registers and the reducing housing stock. It was also highlighted that there was a lack of quality literature for customers and that the quantity and variety of current literature often leads to confusion. Most of the housing providers agreed that a common list would be beneficial and provide a consistent approach across the city.
- 5.2.4 It was also identified that those actively seeking accommodation were aware of the various housing providers, the various waiting lists and how to maximise the potential for receiving an offer of accommodation. Providers at the focus group did comment on the common misconception held by the public that Gentoo and Sunderland City Council were one and the same organisation. It is often difficult to change these conceptions with people but it was something that both the City Council and Gentoo would continue to do.
- 5.2.5 Members were informed that once a person was registered on a waiting list there was little or no feedback, or information on progress and the potential chances of being housed. This raised an important issue around managing expectations of customers. The providers identified the importance in providing a service that managed people's expectations and also raised awareness to the length of waiting lists.

- 5.2.6 Most of the housing providers interviewed, as part of this research, recognised the Choice Based Lettings model as an open and transparent system for not only letting houses but also for creating a single route into housing.
- 5.2.7 There is also an issue with how current allocations policies are perceived. In particular how frustrations and misconceptions arise through misinformation from the media, and a general lack of information on housing policy and allocation. The focus group highlighted the need to 'myth bust' around allocations to alleviate a number of the misconceptions and also keep people up-to-date and informed around housing issues.
- 5.2.8 On a similar theme it was important to look at eliminating, where possible, jargon from the process making it easier for those wishing to use it.
- 5.2.9 Signposting was also identified as a very important aspect. Housing providers reported that if they were unable to help would always provide some form of signposting. With regards to homeless cases these were always signposted to the local authority for further advice, guidance and help. Sunderland City Council has also worked with a number of agencies to improve signposting issues through training, the internet and other mediums.

Conclusions

- 5.2.10 The majority of social housing providers agree that Choice Based Lettings offers the potential to have an open and transparent system for allocating houses. While offering a common policy across Sunderland is an important improvement, it is essential that any housing allocation system identifies and helps those with the greatest housing need. However, some housing associations have opted out or chosen not to participate in such schemes as it conflicts with their own national policy frameworks, or simply does not generate applicants for their properties. There will always be exceptions in implementing new schemes or systems but if the key and/or majority of stakeholders are on board this will help to improve the access into housing.
- 5.2.11 Managing expectations is important and if people are aware of the estimated length of time they can expect to wait before receiving an offer of accommodation this can only help to improve the customer experience. It can often be difficult to manage expectations as different policies can reflect different position on different lists, but keeping customers informed can only help to reduce frustrations. The greater the information provided to customers comes a greater understanding of the policies and allocations system in general, which can also help to diminish many of the misconceptions held about housing allocation.

5.3 Private Landlords

- 5.3.1 Research from the English Housing Survey Headline Report 2008-09 indicates a decrease in the number of owner occupied households from a peak of 14.8 million in 2005 and 2006 to 14.6 million in 2008-09. In contrast the number of households renting privately rose by one million since 2001, from 2.1 million to 3.1 million in 2008-09. Further to this Private sector landlords, in terms of ownership, are very much small scale with two out of three landlords being 'one-person' operations, and only one in three letting properties as a main business.

- 5.3.2 Private sector landlords in Sunderland feel their role is to provide good quality, affordable housing within the city. Landlords also indicated that the private rented sector had become ever more important now that Sunderland City Council no longer provides their own housing, and due to the numbers of houses and properties that have been demolished over recent years.
- 5.3.3 Whilst landlords acknowledged that there was often confusion in accessing housing in the city for those first-timers looking for a property, they felt the majority of people had experience of the system and were aware of the procedures. However, the constant changing forms could be problematic but most good landlords were willing to help tenant's complete paperwork or signpost people to support organisation like the Citizen's Advice Bureau.
- 5.3.4 In relation to a single route into housing the private landlords in attendance at the focus group were unsure if this would make any difference as there was a perception that the major housing providers were already 'cherry picking' the best tenants. Although it was recognised that a single route into housing has the potential to level the playing field to a certain extent and could reduce the 'cherry-picking'. A single entry system could also help to promote better intelligence and C.V's on tenants and applicants.
- 5.3.5 Members were curious that if the practice of 'cherry-picking' exists then how would private landlords find or contact potential tenants. It was emphasised that at present there were very few empty properties available and often tenants would be referred by word of mouth or from other landlords. Also prospective tenants would be available to access a list of accredited landlords from the City Council. The Homeless and Social Services departments of the council will also contact landlords to enquire about empty properties. However there is often little or no feedback from these departments if the properties are still required and private landlords cannot afford to keep properties empty. Occasionally landlords will advertise properties in the Sunderland Echo too.
- 5.3.6 The Landlord Accreditation Scheme (LAS) was seen as a positive scheme that provided assurances for prospective tenants. There were also disadvantages for landlords in so much as it was easier for the local authority to inspect or request higher specifications from accredited landlords, already having their details. The numbers of landlords signing up to the scheme seems to have levelled off, despite the continuing advertising of the scheme. It was suggested that some landlords were afraid to put their names forward. This was highlighted the issue that the relationship between the local authority and private landlords was still suspicious. It was difficult to reason why landlords should provide detailed information to become accredited and ultimately penalised more than those landlords who do not.
- 5.3.7 The point was also raised that tenants have much higher expectations in today's market and therefore expect better quality housing as the overall quality of life for people increases.
- 5.3.8 Landlords certainly felt that the local authority could provide more support to landlords in the form of a vetting system to protect landlords from high risk tenants. It would even help to provide greater information on what support is available from the local authority and other organisations to private landlords. It was interesting to note that the Council Forum with private landlords had not met in over a year. It was

generally felt that it would be a positive move to restart, promote and develop this forum to provide an ongoing dialogue between the local authority and private landlords.

Conclusions

- 5.3.9 Private landlords have an important role to play within the city in helping the local authority meet some of the housing need that exists within Sunderland. They are often one-man bands and often take risks with their properties. Whilst they recognise the good team that operates within the local authority there still appears to be a degree of suspicion within this relationship. It is important that private landlords have a channel to create an ongoing dialogue with the local authority which can not only provide valuable intelligence but help towards service improvement and removing the barriers of suspicion.
- 5.3.10 The Landlord Accreditation Scheme is viewed as a positive step forward with accredited landlords. However they also feel penalised for those who remain unaccredited appear to be under far less scrutiny, which is perhaps creating a barrier to further take-up of the scheme.
- 5.3.11 The single route into housing would help private landlords in a number of ways and certainly it was felt that this could help to eliminate the notion that the best tenants are 'cherry-picked' by the larger housing associations. It would also alleviate some of the confusion, which currently exists around the various application processes across the city.

5.4 Tenants and Applicants

- 5.4.1 Members visited a meeting of the Gentoo Customer Focus Group to speak with current housing tenants. Alongside this a number of phone interviews were conducted with a random sample of social housing tenants including people who had applied for social housing and were currently active on Sunderland City Council's waiting list. A number of key common issues were highlighted through this process and provided further evidence around the access to social housing review.
- 5.4.2 The time people waited was very much dependent on circumstances and this was reflected by the applicants spoken to. Experiences varied from short waiting times due to applicant's current landlady selling the property, to lengthy waiting periods for high demand areas. There was also a lot of understanding around the application process and many of the applicants had used the system previously. However there were still a number of misconceptions around the waiting list process and confusion over the priority given to other applicants. A number of applicants did not understand how people got houses so quickly and perceived the system to be unfair. There was also a feeling that the system was open to abuse and that people had become savvy to ways of increasing their chances of getting a property.
- 5.4.3 The Gentoo Customer Focus Group echoed this sentiment and acknowledged that the whole system of allocations to social housing seemed to be lacking in transparency. It was argued that people see void properties in areas and do not understand why these are not being allocated. This can give rise to misunderstandings and misconceptions around the housing system and allocation

process. It was suggested that properties could be labelled to specify certain features and this could perhaps better inform people, creating a greater understanding around suitability and allocation of properties. The group also recognised that attending regular Gentoo Focus Group meeting allowed them to have a better understanding of the 'bigger picture' and that not everyone had this insight.

- 5.4.4 In relation to the process working well for applicants it became apparent that for those who had received a positive outcome the process was good, and for those who had been offered unsuitable accommodation or were still waiting, the process appeared to be lacking. A number of applicants expressed their satisfaction at how well they had been kept informed through the process by staff at both Gentoo and Sunderland City Council. It was also highlighted that people could contact housing staff to get further information and keep track of their own application. The onus was very much seen as on the individual and this was fine to a degree but for those more vulnerable applicants it was felt that a more proactive role from the housing organisations was required.
- 5.4.5 The issue around the quantity and choice of accommodation across the city was raised. In speaking to applicants who had been recently housed it was identified that they had generally received 1 or 2 offers of properties before finally accepting an offer of accommodation. The Gentoo Customer Focus Group noted that a lot of people were under the wrong assumption about the quantity and demand for properties. The links between expectations, needs, quantity and choice were identified by many of the applicants and tenants interviewed, and that the way in which this was handled was important to the overall customer experience.
- 5.4.6 In discussing the concept of a Choice Based Lettings Scheme with customers it was generally considered a good idea to have one housing waiting list that could help eliminate confusion and having to fill in numerous application forms. At the Gentoo Focus Group a number of people were unaware of all the housing associations operating within the city. This raised the issue that if this was the case how many other people looking for social housing were unaware of what was actually out there.
- 5.4.7 Applicants and housing tenants also commented on the how available properties were advertised within the city. While there was acknowledgement of good practice including the publication of vacant properties at 2pm every Friday by Gentoo, and the weekly mailing of a vacant property list to those customers requesting it. The idea of better utilising publications including the city council's Sunrise Magazine to promote housing properties and inform people of housing issues was also discussed.
- 5.4.8 It was interesting to note that a number of applicants spoken to still did not differentiate between Sunderland City Council and the Gentoo Housing Group. The traditional role of the local authority as social housing provider seems a difficult perception to change in many people. While the local authority and Gentoo working closely together in providing a social housing service within Sunderland there still appears to be blurring of the roles of responsibility that can leave customers confused.

Conclusions

- 5.4.9 Those who are accustomed to the social housing system are most comfortable with it but for others it can be complicated and confusing with so many providers, differing policies, application processes and waiting lists. Equally there is confusion based around misconceptions and perceived unfairness and transparency of waiting lists. This is also supported through work undertaken by the Communities and Local Government Department. In its research 'Attitudes to Housing: Findings from Focus Groups' social housing tenants expressed feelings of unfairness when they saw others less 'deserving' than themselves allocated housing, and that time spent waiting was given little priority when compared against those in greatest need.
- 5.4.10 The satisfaction of customers is directly linked to the outcomes of applying for social housing. There is an important balancing act to be achieved in managing customer's expectations through providing advice, support and ongoing information. This can also go a long way to eroding the misconceptions and popular myths around social housing allocation, and provide for a more transparent process for customers.
- 5.4.11 There still appears to be confusion around the roles and responsibilities in relation to social housing. The traditional role of the local authority as the major social housing provider has changed, Gentoo now own and administers the stock previously owned by the council. It seems difficult to change many people's traditional views around who is the custodian of social housing.
- 5.4.12 The idea of a Choice Based Lettings scheme was greeted by most customers interviewed as being a positive move forward. It was seen as something that could help remove much of the confusion that exists around social housing at present. It was also seen as providing people with greater control and choice over where they lived.

5.5 Choice Based Lettings

What is Choice Based Lettings

- 5.5.1 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 (e.g. in the local newspaper, local offices or on a website). Applicants can see the full range of available properties and can bid (i.e. apply) for any home to which they are matched (e.g. 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.
- 5.5.2 Communities and Local Government's five year housing plan, *Sustainable Communities: Homes for All*, published in January 2005, set out the Government's plans for taking forward its CBL policy. The aim is to have in place choice nationwide by 2010. The Department also supports the development of CBL

schemes on a regional and/or sub-regional basis, recognising that housing markets do not follow local authority boundaries.

- 5.5.3 Research funded by Communities and Local Government into the original CBL pilot schemes found that social housing customers welcomed the choice, control and transparency of Choice-Based Lettings (CBL). They also considered that the extra effort required to take part in CBL, by looking through vacancies and bidding for suitable vacant properties, was worth it. More recent research also funded by Communities and Local Government generated positive findings about the longer term impacts of CBL. In particular it was found that CBL led to improved tenancy sustainment and tenant satisfaction; encouraged applicants to think more flexibly about their housing choices; tended to reduce rather than compound ethnic segregation; and that outcomes for homeless households were largely positive.

Coventry Homefinder

- 5.5.4 The Coventry Homefinder is a choice based lettings scheme, developed from an initial pilot scheme, which has seen housing associations in the city team up with Coventry City Council and advice agencies to create a new service. As part of the review investigation the committee invited Stephen Rudge, Head of Housing Policy & Services, from Coventry City Council to share their experience of Choice Based Lettings.
- 5.5.4 The Coventry Homefinder scheme is based around banding applicants based on their assessed level of housing need. The scheme initially commenced with a 3 band model but through necessity this model now operates with sub groups within the main bands. Based on this banding system 75% of the advertised properties are prioritised by banding with the remaining 25% prioritised by registration date alone. Those in the highest banding are reviewed after 3 months and if no bids have been recorded, those applicants are moved down a priority banding.
- 5.5.5 The inception of Coventry Homefinder saw Coventry's housing waiting list rise from 5,000 applicants to 27,000 applicants. Although it was noted that 49% of those who registered had never made a bid. A total of 222,018 bids were made during 2008-09 giving an average of 92 bids for each property let. The highest number of bids received was 579 for a 3 bedroom house in a desirable area of Coventry. It is difficult to use the CBL waiting list as an indication of housing need with such high levels of non-participation, but as Coventry have found it is more important to focus on the priority bands where the numbers of real housing need have tended to remain the same throughout. Numbers of properties being advertised on the CBL scheme is approximately 70 per week with around 40 of these being flats.
- 5.5.6 In relation to homelessness Coventry City Council provides homeless people with an overriding priority for one week on the CBL list, this allows a bid submission for any property during that week with the real potential of being successful.
- 5.5.7 All bidding for Coventry Homefinder properties is via electronic means with 97% of all applications to the scheme also being electronic. Terminals are available within the civic centre, one stop shops, housing association offices and sub-offices and libraries. The Coventry Direct Bus also travels to outlying areas and provides the same facility. Printed lists of properties are also available in major supermarkets and advice centres. Bidding for properties can also be done by text. Vulnerable people are helped to register and bid via the agencies that support them.

- 5.5.8 The Coventry scheme has not been rolled out on a sub-regional level due to complications arising from having 6 main housing providers in Coventry which all need to adopt such a scheme. Having worked extensively on the Coventry Homefinder scheme it is over the coming year that sub-regional arrangements will look to be developed.
- 5.5.9 Housing Associations in Coventry tend to be regional or national organisations and work to their own defined policies. A priority system has been agreed with the housing associations whereby Coventry City Council can nominate tenants, however the housing associations have reserved the right to turn down nominations and this has become easier e.g. if a tenant is in rent arrears of 2 weeks. The legal section is challenging where appropriate and reassessment of cases has seen a dramatic rise. Coventry City Council have taken the decision of referring people back to the housing association where they have been accepted by the local authority and nominated, but subsequently rejected by the housing association.
- 5.5.10 Coventry City Council fund and operate the Choice Based Letting system and this puts them in a better position in terms of making requests of the different housing associations. There are a team of 8 people funded through Neighbourhood Renewal Funding. Due to the significant set-up and ongoing costs Coventry City Council are now considering charging housing associations a fee for each vacancy advertised.
- 5.5.11 It was also highlighted that through the recession Coventry has seen more private landlords approaching the local authority to let properties. This has been positive in that it has increased the numbers of properties available, particularly in the more desirable parts of the city.

Sub-Regional Choice Based Lettings

- 5.5.12 As previously discussed there is also a Government drive for all Choice Based Lettings Schemes to develop sub-regionally and/or regionally and to work in partnership with other local authorities, registered social landlords and other landlords. The aim of this is to offer customers greater choice and greater mobility. Benefits of a sub-regional approach would see a larger pool of housing for customers together with a break down of the artificial boundaries between local authority areas. Partner organisations would also benefit from reduced costs through efficiency improvements, better use of IT, making better use of housing stock as well as assisting in homelessness and crisis prevention.
- 5.5.13 The sub-regional drive on CBL has ensured the establishment of working groups which are examining policies, procedures, communication, consultation and ICT development. There has also been a successful grant bid from CLG of £148,647 towards project costs. Through the working group a number of options had been developed and the preferred model of operation had been identified as one application process, one housing register, one website, one selection process but that allowed for the retention of local policies where good practice had been identified.
- 5.5.14 In terms of the migration of people in a sub-regional CBL context research indicates that there is approximately a 10% migration of people however, the majority only

move within a few miles radius. The obvious risk areas are where people live close to the boundaries with other local authorities.

5.5.15 Gentoo as the major social housing provider in the city are committed to the sub-regional development of Choice Based Lettings and were a member of the steering group. The smaller registered social landlords had not committed but were keen to see how the scheme developed. Discussions had not yet commenced with the Private Landlords Association but it was seen as a scheme that could develop to involve private landlords and potentially assist them in getting better tenants, as well as addressing their concerns over housing associations 'cherry-picking' tenants.

Fair and Flexible

5.5.16 In light of the *Ahmad* ruling, which reversed a line of Court of Appeal authority that held that allocation schemes were required to provide for cumulative preference, there was a need for the Government to revise the statutory guidance in order to encourage those local authorities which have been cautious in their use of flexibilities and to ensure greater use of them. The Government's thinking is that this will enable local authorities to better meet local needs and circumstances and make more efficient use of their social rented stock, for example by tackling under-occupation and supporting a wider range of vulnerable groups. There is also a strong public perception that housing allocation systems are unfair. To challenge this, the fair and flexible guidance aims to promote the role of local authorities in raising awareness of allocation policies and engaging local communities in developing them.

5.5.17 The Fair and Flexible guidance looks to increase the involvement of local people in discussions about allocation policies, which will lead to an improved awareness and understanding of allocations and address some of the misconceptions that surround it. It also aims to encourage local authorities to increase their use of flexibilities so that allocation policies best meet local needs and circumstances within the existing statutory framework.

Shelter – North East

5.5.18 Shelter is a charity that works to alleviate the distress caused by homelessness and bad housing. The organisation provides advice, information and advocacy to people in housing need, and by campaigning for lasting political change to end the housing crisis. Shelter recognises the transparent, variety and responsiveness of a Choice Based Lettings system but equally acknowledges the importance of the priority of need of housing applicants within any system.

5.5.19 Shelter also shared some its concerns with the possible inflexibility and exclusions based on housing related debt that was often inherent in Choice Based Lettings Schemes. "52% of respondents were worried or very worried about being excluded because of their age and 45% were worried about having a criminal conviction" (Centre Point, 2008). It also raised the issue of the advertisement of properties and how the harder to reach and vulnerable groups would access this information.

5.5.20 Shelter strongly supports the Governments Fair and Flexible in so much as overall priority for social housing should go to those in greatest need. However Shelter also argues that housing authorities need to exercise extreme care when setting the allocation of social housing within a wider housing options approach. While also

looking to local community involvement in developing allocations policies that could increase transparency and dispel many of the myths around housing allocations.

Conclusions

- 5.5.21 There are clear Government drivers for the introduction of a Choice Based Lettings System and for the development of sub-regional links. Choice Based Lettings provide an accessible system which offers a single point of entry for social housing. The importance of having the majority of stock owning associations within the scheme cannot be underestimated if a true single route into social housing is to be achieved.
- 5.5.22 Choice Based Lettings puts the customer very much in the driving seat in relation to accessing housing as it provides choice, control and transparency for social housing customers. This enabling of customers to look through vacancies, engage in a bidding process and ultimately being successful gives greater worth and ownership to those participating. Sadly the one thing that Choice Based Lettings does not increase is the housing stock available.
- 5.5.23 The importance of any system being based on those most in need cannot be underestimated and this has certainly been highlighted throughout the research undertaken. The development of a banding mechanism can assist to ensure that those most in need for housing are prioritised accordingly within a Choice Based Lettings system. With any banding system it is virtually impossible to remove the hierarchical nature, even by substituting numbers for letters or colours. What is important is that the system recognises the most vulnerable and most in need providing them with the system that can improve their current housing situation.
- 5.5.24 Both Coventry City Council and Shelter raised the concern around the ease at which housing associations can refuse or turn down nominations. Certainly it has been Coventry's experience that there has been a dramatic rise in the reassessment of cases and challenge from the legal team. It will be important that nomination rights retain a degree of flexibility as well as clear policy guidance relating to exclusions to ensure that this issue is not repeated in Sunderland.
- 5.5.25 Not only is Choice Based Lettings seen as a local development but also as a sub-regional development with Gentoo, the major housing provider within the city, committed to this process. While this will allow for even greater choice for customers it will be important to retain local policies to ensure those most in need, together with local customers are not disadvantaged by such an arrangement.
- 5.5.26 The involvement of customers in any service development can only improve the process and allow for greater ownership by those who will ultimately use and benefit from the system. This is certainly echoed in the Fair and Flexible guidance and also by Shelter. This can only lead to better understanding of the process and dispel many of the myths that still exist around the allocation of social housing.

6 Summary of Conclusions

Conclusions were listed after each section of findings however, key themes have arisen which are summarised below.

6.1 Policy Drivers

Tensions in policy making in ensuring those most in need are catered for and at the same time making the social housing market attractive to new households is difficult. The sustainability of neighbourhoods and wider society very much depends on social housing being seen as affordable housing of choice as well as of necessity. Central government is driving the change in the allocation of social housing through the 'Sustainable Communities: Homes for All' 5 year housing plan (2005) which requires authorities to adopt a Choice Based Lettings Scheme by the end of 2010.

6.2 Managing Expectations and Myth Busting

The myths and expectations that surround social housing are numerous. It is important that in developing new processes and systems that expectations are managed and misconceptions are debunked. Throughout the review the importance of keeping people informed and providing greater clarity around the process was highlighted.

6.3 Transparency of Process

In aiding the removal of misconceptions the transparency of the allocations process is paramount. The simpler the process the more people will understand it and provide less room for abuse of the system. In providing more information, greater feedback and a greater transparency in allocation will lead to the removal of confusion and misconceptions around policy and process.

6.4 Private Landlords Role

Private landlords have an important role to play and increase the housing opportunities within the city. The accreditation scheme while heralded as a good scheme was felt to penalise those good landlords rather than the other way round. The importance of creating ongoing relationships on a two-way basis with private landlords was also seen as important and a key action for supporting and improving service delivery.

6.5 Choice Based Lettings

The process of Choice Based Lettings was seen by the key stakeholders interviewed as the system to provide greater transparency, choice and information to customers. There are also drivers across the sub-region to expand the Choice Based Lettings to a sub-regional arrangement that will provide for even greater choice and movement of households. The system will not be suitable for all social housing providers and some of the more specialist providers have indicated the unsuitability of CBL schemes in relation to their policies.

6.6 Fair and Flexible

The Fair and Flexible guidance provides local authorities with the real opportunity to engage local people, neighbourhoods and communities in developing and raising awareness around allocation policies. This can only improve awareness, help to dispel myths and create a greater understanding around allocations. It will also

provide an opportunity for the major stakeholders to develop policies that can best meet the demands and needs of the specific environment which it caters for.

6.7 **Banding System**

Any Choice Based Lettings system requires a priority or banding system to ensure those with the greatest needs are not disadvantaged. The hierarchical nature of such systems is virtually impossible to escape from. The Coventry example shows how banding systems can be developed to ensure a degree of fairness to all applicants. However, what is important in any banding or priority model is that those most vulnerable and at risk within communities are identified and given the support and confidence from the system.

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