

Report to: Scrutiny Committee

Date: 10 February 2025

Title: Allocations Policy – Review of the Choice Based Lettings Model

Report of: Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning

Cabinet member: Councillor Peter Diplock, Cabinet member for housing and homelessness

Ward(s): All

Purpose of report: To seek approval to proceed with a public consultation on a new model of allocating Council housing stock

Decision type: Key decision

Officer recommendations to the Cabinet: Cabinet is asked to:

- (1) Give its approval to proceed with a public consultation on a new model of allocating Council housing stock
- (2) Approve the proposed new direct-allocations model

Reasons for recommendations: To provide the local authority with greater flexibility over how and to whom to allocate our limited social housing stock, to ensure the right properties are matched with the right applicants more quickly, and to help us manage false expectations about the availability and demand for these properties

Recommendations to the Scrutiny Committee

- 1) Note the Recommendations in the Allocations Policy – Review of the Choice Based Lettings Model report; and
- 2) Respond to the Cabinet with any views it wishes to be considered.

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1 Introduction

- 1.1 Strategically we are moving towards a much more prevention-based and joint-working approach to tackling homelessness in all its forms, and we need an allocations policy that reflects this; a policy that demonstrates our response to the current, ongoing and unprecedented housing crisis.

The 1996 Housing Act (as amended by the 2002 Homelessness Act) requires local authorities to make all allocations and nominations in accordance with an Allocation Scheme. A summary of the Allocation Scheme must be published and made available free of charge to any person who asks for a copy. This document is available on the council's web site

The Housing Act 1996, (as amended) requires councils to give 'Reasonable Preference' in their Allocation Schemes to people with high levels of assessed housing need including:

- people who are homeless (within the meaning of Part 7);
- people who are owed a duty by any local housing authority under Sections 190(2), 193(2), or 195(2) of the Housing Act 1996 (or under Sections 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any such authority under section 192(3);
- people occupying insanitary, overcrowded or otherwise living in unsatisfactory housing conditions;
- people who need to move on medical or welfare grounds (including grounds relating to a disability);
- people who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or others);
- additional preference to a person with urgent housing needs who falls within one or more of paragraphs above and who -
- (i) is serving in the regular forces and is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to the person's service,
- (ii) formerly served in the regular forces,
- (iii) has recently ceased, or will cease to be entitled, to reside in accommodation provided by the Ministry of Defence following the death of that person's spouse or civil partner who has served in the regular forces and whose death was attributable (wholly or partly) to that service, or
- (iv) is serving or has served in the reserve forces and is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to the person's service.

The Housing Act 1996 also requires councils to state within their Allocation Scheme their position on offering applicants a choice of housing accommodation or offering them the opportunity to express a preference about the housing accommodation to be allocated to them, and the Council

must have regard to their homelessness and tenancy strategies when framing their allocation scheme.

Choice-Based Lettings (CBL) was introduced and promoted by the Government between 2001 and 2010. It was billed as a more effective system for letting social housing compared with direct offers. Between 2001 and 2008 the Government offered grant funding to Councils to adopt CBL systems. EBC and LDC currently run a CBL system with priority determined by Bandings.

However, for many years now demand has far outweighed supply of social housing stock, with as many as four times the number of applicants on the register at any one time as there are annual lettings of properties. Many applicants spend years on the waiting list with little to no realistic prospect of an offer.

The CBL model arguably creates a degree of false expectation that is hard to manage, and causes significant delays and administrative burdens for staff, with little evidence that it encourages applicants to broaden their areas of choice or improve their chances of being re-housed in Council accommodation. It is no longer the best fit for the current housing context.

Following a 2023 independent review of our Allocations policy, it is recommended that the council changes its model for allocating properties to applicants of the housing register, and develop a new policy to go out to public consultation

2 Proposal

To enact a public consultation on the proposed policy for allocating social housing stock.

To go out to consultation on the proposed policy with a view to final implementation by April 2025.

The Property Match model would see all void properties matched directly to the most suitable housing register applicants. Applicants will still be prioritised into bands, with a registration date, as they are in the current policy. Properties will be matched based on:

- Priority band (Band A = highest priority, Band C = lowest priority)
- Registration date (earliest registration dates receiving offered before more recent dates)
- Bedroom need (The number of bedrooms an applicant's household needs must match the number of bedrooms in the property)
- Disabled adaptations (where applicable)
- Area of preference

The main difference is that it would no longer be necessary for clients to place 'bids' online, and to wait to the end of a bidding cycle before matching an applicant with a property, thus speeding up the whole process.

There would be several advantages to the Property Match option; it offers

- ✓ A better customer experience –simpler, fairer, more transparent and easier to understand
- ✓ Greater clarity – offers of social housing made to those applicants with the greatest housing need. No change to *who* is offered properties, just *how* those properties are offered
- ✓ A quicker process – the proposed model has the capacity to reduce re-let times, rent loss and unnecessary administrative burden
- ✓ More scope to balance offer made - between households in temporary accommodation with others waiting list.
- ✓ Retains key aspect of choice – with applicants still able to:
 - Express a preference over the areas where they would prefer to live.
 - Decline first two offers made without sanction.
 - Retain ability to challenge reasonableness of any offer made.

There are also some additional proposed changes which would be detailed in the consultation. These are:

- Removing band A*
 - to help simplify who is awarded the highest priority
- Amendments to bandings for insecurely housed,
 - to recognise the ongoing housing needs and challenges of those who are able to make short term but untenable arrangements with family or friends, rather than going into emergency accommodation
- When to impose sanctions for those who refuse properties,
 - housing register applicants could refuse offers on up to two properties, to maintain elements of choice
- Amend priority banding for those moving on from supported accommodation, from Band A to Band B, but with registration date that matches the day they went into supported accommodation.
 - To continue to ensure priority move-on from supported accommodation while also balancing this against other groups of single applicants
- Removal of Local Connection qualifying criteria other than residency

- Only people who live in Eastbourne will be able to apply for social housing here
- Remove band C priority for 'low medical need'.
 - Instead, banding priority on medical grounds is based on an assessment of how the medical needs is impacted by the housing the type of property they live in
- Introduce maximum income thresholds of £80,000.
 - Applicants with household income above this will not qualify to join the housing register
- Introduce a maximum housing-related debt of £1,500,
 - Applicants with housing-related debts above this threshold may not qualify for an offer of social housing.

3 Outcome expected and performance management

A 100% property matching model is likely to reduce re-let times and rent loss, with officers no longer needing to wait until the end of a two-week bidding cycle before moving a property to the next stage in the process

The main 'gain' however, is that Eastbourne Council would have greater certainty that offers of social housing were being made to those applicants assessed as being in the greatest housing need before those in assessed as being in lower housing need. This includes households in temporary accommodation that need to be 'moved on' to reduce the financial burden on the Councils.

Under 'Property Match', applicants would be matched to properties in descending order of priority with applicants assessed as being in higher need matched first

The natural concern of moving back to a scheme entirely based on property matching is the impact on choice. However, there would be no change in the current policy on choice under the CBL system. Under a property matching model system, applicants will still be able to express a preference over the areas where they would prefer to live, leaving lettings officers to try and reflect their wishes where possible when matching people. However, as under the current CBL system, the Council will still need to reserve the right to make a suitable offer outside of an applicant's preferred area or areas, in order to achieve a timely solution.

It should also be noted that applicants would not have to accept the first two offers made. The new policy will allow for an applicant to refuse the first and second suitable offers of accommodation, without sanctions. The sanctions imposed would be upon the refusal of a 3rd suitable offer. A review of suitability will also remain enshrined in policy to ensure fairness in that adjudication.

The current Abris IT system will be used to manage, deliver and monitor all housing register applications, lettings and reports. The system has the

functionality to identify the number of applicants in each band, their reasons for priority banding and bedroom need, as well being able to report on properties that have been let, to whom, how long they were waiting etc

Through Abris reporting, we will continue to be able to manage allocations and the impact that the changes in this policy will have.

The effectiveness of the policy can be measured in a number of ways, including:

- Improvement in void re-let times (though there are a number of other teams. Factors who contribute to these statistics
- Reduction in housing register application processing times
- Reduction in complaints and enquiries into allocations and housing register applications
- KPIs for this could include :
 - Void re-let time
 - Ratio of offers made to homeseekers, homeless applicants, supported accommodation move-on's, and internal transfers
 - Waiting time for new applications to be assessed

4 Consultation

The Housing Act requires us to undertake a full public consultation for a minimum of 28 days. The main consultation will be online via a web-based survey, which will also be shared with stakeholders through a number of existing forums including the East Sussex Homelessness forum, hosted by Homeless Link. In addition, we have already met and discussed with key groups of stakeholders including:

- Tenant's voice
- Consumer Standards group
- Supported housing providers
- Allocations team
- SLT
- DLUHC
- Andy Gale – Homelessness services advisor
- London Borough of Hounslow
- London Borough of Hammersmith and Fulham
- Horsham District Council

Under the HA 1996, before adopting an allocation scheme, or making an alteration to their scheme reflecting a major change of policy, a local housing authority in England must—

(a) send a copy of the draft scheme, or proposed alteration, to every private registered provider of social housing and registered social landlord with which they have nomination arrangements, and

(b)afford those persons a reasonable opportunity to comment on the proposals.

Thus far, feedback has been that groups are largely in support of the removal of the choice based lettings model.

The amendments required for the IT system have also been approved via the accelerating change board.

5 Corporate plan and council policies

Taking steps to address the challenges presented by the current allocations model will help support the successful delivery of the EBC Corporate plan.

The EBC Corporate plan 2022-2026 promises to “work alongside residents to deliver decent, safe and well managed housing, meeting the needs of residents by investing in our homes, creating communities that work, helping our tenants with their energy bills as we take steps to make council homes more environmentally sustainable, and responding to homelessness and housing needs through maximizing the provision of new affordable housing.

In turn the EBC Housing Strategy 2020-2024 makes reference to
PROMOTING ACCESS TO HOUSING THAT MEETS MODERN STANDARDS BY:

- Promoting access to low cost rental and home ownership initiatives.
- Shaping a thriving, high standard, private rented sector.
- Making best use of the social rented housing across the Borough.
- Taking steps to maximise the utilisation of empty homes.
- Reducing the impact that privately owned homes have on the environment.

REDUCING HOMELESSNESS BY:

- Focussing on prevention, to support households at risk of homelessness.
- Setting a clear direction for the future of the local Rough Sleeper Initiatives.
- Work with private sector landlords to house homeless / at risk households.
- Speeding up the move of homeless households to permanent homes.
- Renewing our strategic approach.

SUCCESSFULLY MANAGING AND MAINTAINING COUNCIL HOMES BY:

- Giving residents a voice in shaping our services.
- Renewing the delivery of Homes First’s key services.
- Giving resident access to digital services.
- Keeping our assets in a good state of repair.
- Reducing the impact that Council owned homes have on the environment

The new allocations policy and a property matching model will support our efforts to respond to homelessness and housing needs by giving us greater

ability to directly match properties with those who are most in need, and thus make best use of our stock.

It will give us the flexibility to be able to directly and more quickly offer homes to homeless households, speeding up their journeys back into secure accommodation, and reduce the use of emergency and temporary accommodation, along with the associated costs,

It will also give the Housing Options team a great deal more capacity to deliver a better all-round customer experience and improve the quality of the service, , with shorter application processing times and in turn fewer complaints into the department.

6 Business case and alternative option(s) considered

There are significant time savings as a result of this model, and the associated IT amendments. It will give the team more capacity to focus their time and energy elsewhere, reducing waiting times, providing a better customer experience and in turn reducing the number of complaints and enquiries into the service.

The accelerating change board has already approved the business case for the upgrades to our IT system that is required for the proposed model.

There were two alternative models considered, and subsequently disregarded, in Andy Gale's report ;

Option 1: To retain CBL as the primary basis of letting properties in Eastbourne and Lewes

This option will depend on whether the problems identified that are directly, or partly, attributable to CBL can be resolved to provide confidence that retaining CBL, as the operating model for letting vacant properties for all but exceptional cases is a sensible decision going forward.

It is difficult to see how all of these issues can be resolved as many are a result of operating CBL in an area of acute housing pressures and a shortage of social housing vacancies.

Option 2: To move to a hybrid model of CBL and direct allocations

Under option 2 Eastbourne would formally adopt a model whereby the system for letting properties was a mix of CBL and direct allocations. The system would not be arbitrary as to whether an applicant received a direct allocation or not. There would be clear criteria as to when it is in the applicant's interest, or the Councils interest or both for a direct allocation to be made.

The housing circumstances likely to qualify for a direct allocation could include:

- Homeless households in temporary accommodation who either a) were refusing to bid, or b) were being unrealistic in their bidding behaviour, or c) where the Council needed to reduce the financial impact of temporary accommodation.
- Lettings of transfer cases
- Under-occupying tenants where a direct allocation is more likely to persuade the tenant to release a much needed family accommodation home
- Sensitive lets such as for people being managed by MAPPA arrangements
- To ensure the best match for a property that has already been adapted, for example already adapted to wheelchair- accessible standard
- For applicants assessed as needing to move immediately due to a severe threat or risk
- Applicant's with the highest medical award assessed as needing to move immediately and to a specific type of property for example a ground floor home
- Sheltered housing cases where some older applicants are less confident in using the CBL system to increase take up of sheltered schemes
- Care leavers where a direct allocation would allow the Council to offer a solution that is more likely to be sustainable.

If these criteria were adopted for direct allocations, it is likely that direct offers of accommodation in Eastbourne and Lewes would account for up to 60% of lettings. This means operating all of the systems, admin and software for a CBL system for just 40% of vacancies which would, it is estimated, be just 60 properties. It would also result in confusion for service users with the majority of lets under a direct allocations system.

Option 3: Property Match model

We are recommending a 'Property Match' model, where all void properties are directly matched with the most suitable applicants based on priority banding, registration date and bedroom need (see section 2).

7 Financial appraisal

The direct financial impact of the request to approve a change from the Councils current choice-based lettings model to a new direct-lets model relates to cost of amending the relevant IT systems used to manage and administer the existing lettings process. The cost of making the necessary systems changes following discussions with the system provider (Civica) is estimated at £35,000. The overall cost would be split evenly between Eastbourne Borough Council and Lewes District Council. The total cost to EBC is therefore estimated to be £17,500 of which £13,475 (77%) would be charged the Council's HRA Account with the remainder charged to the Councils General Fund (GF). Both amounts are able to be funded with existing resources without additional pressure to either the HRA or the GF Accounts.

8 Legal implications

It is a legal requirement under the Housing Act 1996, as amended by the Homelessness Act 2002, and the Homelessness Reduction Act 2017 to have an up to date allocation policy.

Section 159 of the HA 1996 provides that a local authority must comply with the provisions of Part 6 of that Act when it allocates housing. The Council as a local housing authority must comply with Part 6 of the Housing Act 1996 when allocating housing accommodation under section 159(1) but subject to that compliance section 159(7) allows the Council to allocate housing accommodation in such a manner as they consider appropriate so the Council has a broad discretion as to how it frames its Allocation Policy. Although the Council must have regard to the relevant Codes of Guidance, as referred to under section 169, and the relevant case law. The Council must not allocate accommodation except in accordance with the Policy under section 166A (14).

Section 167 of the HA 1996 provides that each local authority shall have an allocations scheme in accordance with which housing accommodation is to be allocated.

Local authorities must give 'reasonable preference' in their Allocation Schemes to people with high levels of assessed housing need including:

- people who are homeless (within the meaning of Part 7);
- people who are owed a [duty by any local housing authority under Sections 190(2), 193](2), or 195(2) of the Housing Act 1996 (or under Sections 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any such authority under section 192(3);
- people occupying insanitary, overcrowded or otherwise living in unsatisfactory housing conditions:
- people who need to move on medical or welfare grounds (including grounds relating to a disability);
- people who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or others);
- additional preference to a person with urgent housing needs who falls within one or more of paragraphs above and who -

- (i) is serving in the regular forces and is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to the person's service,
- (ii) formerly served in the regular forces,
- (iii) has recently ceased, or will cease to be entitled, to reside in accommodation provided by the Ministry of Defence following the death of that person's spouse or civil partner who has served in the regular forces and whose death was attributable (wholly or partly) to that service, or
- (iv) is serving or has served in the reserve forces and is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to the person's service.

Local authorities must also state within their Allocation Scheme their position on offering applicants a choice of housing accommodation or offering them the opportunity to express a preference about the housing accommodation to be allocated to them.

Lawyer commented on 20.02.2024 and on 08.01.2025 IKEN 012773-JOINT-CH

9 Risk management implications

Failure to address the delays and concerns around the current allocations policy, model and processes will mean continued delays and costs around void re-lets, and a continued and unnecessary administrative burden. This would impact in a number of ways:

Strategic risk – failure to make best use of council stock or to respond to the homelessness and housing needs within the area. Strategically we are moving towards a much more prevention-based and joint-working approach to tackling homelessness in all its forms, and the proposed allocations policy, with a direct allocations model, would reflect a more pragmatic approach.

Departmental risk and Operational risk – it is the priority of the housing options and wellbeing team to reduce use of emergency and temporary accommodation by maximising prevention options. The ability to better manage and allocate our own stock in a timely manner, and to those who have the greatest need, is an essential tool in our ongoing endeavour to tackle the homelessness crisis, and failing to review our allocations model accordingly would have a significant detrimental impact on the departments ability to achieve this.

Customer risk – we strongly believe that the proposed new policy is simpler and clearer, and will result in fewer enquiries and less confusion for customers, while helping to better manage expectation about realistic prospects of being housed via the housing register. It also brings with it greater functionality in terms of on-line portal and self-managements of documents throughout the application process, which will reduce unnecessary enquiries. Switching to a new policy will require all current

applicants on the register to re-apply and submit up to date information. There is a small risk that some client who would still qualify will 'fall off' the register if they fail to re-apply. We will mitigate this risk by writing directly to every current applicant at their registered home address, and ensure relevant comms are in place for partner agencies, tenants and members of the public.

Reputational risk – it is acknowledged that the Choice Based Lettings model we wish to abolish is one which, until recently, was widely lauded in this field. As such there may be some degree of reticence from colleagues in other authorities who favour a CBL approach. However, more and more local authorities are acknowledging that the CBL model, originally introduced almost 20 years ago, may no longer be the best fit in the current housing climate, making way for alternative models. Furthermore, if we proceed with removing CBL, it is likely there will be interest from DLUHC and other Local authorities about the success of the new policy and any learning that comes from it.

Financial risk – See financial appraisal in section 7 of this report for an overview of the cost.

In addition, it should be noted that the proposed model would bring significant time savings to the department which will result in an all-round better customer experience, and therefore reduced time/costs spent on applications, adverts, shortlisting, housing register reviews, complaints enquiries and even postage.

10 Equality analysis

An Equality & Fairness Analysis has been undertaken on these proposals/ this project. This has concluded that there is an anticipated positive impact on:

Homeless applicants who will be able to obtain a direct offer more quickly, reducing stays in TA

Elderly who may have otherwise struggled with an online bidding system

Disabled who may require specific adaptations and features within a property, or may have struggled with online bidding.

There may be some applicants who feel negatively impact by the changes to the policy, such as those without housing need, or those who don't live in the borough, who would no longer qualify to join the housing register. However, it is noted that managing the unrealistic expectations around social housing, and ensuring the best use of stock for those most in need, are key objectives of the changes being proposed.

11 Appendices

- Appendix 1 -Independent review of the EBC and LDC allocations policy by Andy Gale
- Appendix 2 – Draft allocations policy 2025-2030

12 Background papers

The background papers used in compiling this report were as follows:

- Current Allocations policy for EBC
[Eastbourne Borough Council Allocation Scheme](#)
- *Housing Act 1996, as amended by the Homelessness Act 2002, and the Homelessness Reduction Act 2017*
[Housing Act 1996](#)
- Equalities analysis