

NOTTINGHAM CITY HOMES

REPORT OF DIRECTOR OF HOUSING OPERATIONS

THE BOARD
15 NOVEMBER 2007

PROGRESS REPORT ON NOTTINGHAM HOMELINK

1 SUMMARY

- 1.1 This report advises Board about the progress of the Choice Based Lettings Scheme, known as HomeLink, and its effectiveness since it was introduced in June 2006.

2 RECOMMENDATIONS

Members are asked to:

- 2.1 Consider the first year of operation of the Choice Based Lettings Scheme.
- 2.2 Consider this report as a discussion document about the proposed amendments to the service and to agree the scope of the review now underway.
- 2.3 Note that a discussion paper was also presented to the Overview and Scrutiny Committee, Nottingham City Council, on 15 November 2007. An update to be provided at Board.

3 REPORT

3.1 BACKGROUND

- 3.1.1 Nottingham City Homes (NCH) was established as an Arms Length Management Organisation (ALMO) on 1st April 2005 and the allocations service became the operational responsibility of the ALMO. The City Council is still responsible for setting policy and took a key role in driving the development of Choice Based Lettings (CBL) in Nottingham. The CBL Scheme, Nottingham HomeLink, was introduced in June 2006.

- 3.1.2 The allocations of Nottingham City's housing stock of almost 30,000 properties was criticised in the internal audit report of 2004, the Audit Commission best value report of the same year and the Audit Commission inspection in 2006. The allocations system was inspected by the Audit Commission before the introduction of the CBL scheme. Their report published in March 2006 stated:

The allocations and lettings service is poorly managed. The allocations policy lacks accountability; it is neither demonstrably fair nor effectively controlled.

- 3.1.3 The District Audit Investigation of the allocations service from 2006 is

ongoing.

3.1.4 NCC with NCH had already begun to review its Allocations Service and introduced a new Allocations Policy in February 2006. The Choice Based Lettings Scheme, known as HomeLink, was introduced in June 2006. Alongside these, NCH also implemented new monitoring and scrutiny procedures to address the problems of the past.

3.1.5 A comprehensive review of the service was carried out by HouseMark in November 2006 and although they highlighted actions for further improvements, overall they rated the allocations service as *working well and some instances of best practice* and reported that *NCH has come a long way since the Audit Commission Inspection and has improved performance in many areas.*

3.2 SUPPLY AND DEMAND

3.2.1 NCH currently manages 29,383 properties of which 40% have 3 or more bedrooms. On average 10% of the stock becomes available for letting in a year.

3.2.2 In reality, whatever the allocations system, in Nottingham there is a very real problem of housing shortage supply and over demand for certain types of properties and areas. The other factor that is now becoming increasingly apparent is that there is also low or no demand for some areas or types of properties, for instance, some sheltered accommodation. Although NCH aspires to improve the housing prospects of low priority applicants the vast majority of lettings continue to go to high need applicants.

3.2.3 Key facts:

- There are on average 9,000 bids made every month for approximately 260 properties. The intensity of these bids varies between geographical areas.
- over 28% of 3 and 4 bedroom houses that become available are let to homeless applicants
- 858 applicants were accepted as homeless in 2006/07
- only 13% of transfer applicants waiting for 3 bedroom properties achieve successful lettings in a year suggesting an average wait of almost 9 years
- the average number of bids per property is over 36 bids
- on average transfer applicants make 88 bids for each 3 bedroom house advertised

Further data is available in **Appendix 1**, tables 1 to 10. These make reference to stock, waiting list and lettings.

3.2.4 Offering more choice in high demand areas depends on a better balance between supply and demand than exists at present.

3.3 HOW CBL WORKS – BIDDING, BANDING AND THE QUOTA SYSTEM

- 3.3.1 The CBL scheme allows people to apply (or 'bid') for advertised social housing vacancies - in the local press, a bidding hotline or through an inter-active website. Applicants can see the full range of available properties and apply for any home to which they are matched. The successful applicant is the person with the highest priority for the property which they have bid for.
- 3.3.2 The 'Homes for Rent' section of the Nottingham Evening Post and the HomeLink website advertise the property vacancies available for letting every Monday. Bids close at 11.59 pm on Wednesday night for each week's advertisements with applicant shortlists for properties being produced the next day. Applicants can expect to hear if they are successful on the Thursday and Friday following the close of the advertisement. Each week a feedback report is produced and shown alongside the adverts for vacant properties. This explains how we have let previous vacancies, the band the applicant was in and how long they have been in that band. It also shows the number of people who have bid for each property.
- 3.3.3 At registration, applicants are placed into one of six bands depending upon the applicant's circumstances and priority need. Within each band, time registered within that particular band will determine the order in which the applicant is considered. The following briefly describes each category:

| Band | Description | Quota target |
|---------------|---------------------------------------------|---------------------|
| Band 1 | - Statutory homeless | 25% |
| Band 2 | - Urgent needs | 30% |
| Band 3 | - Moderate needs | 25% |
| Band 4 | - General needs | 20% |
| Band 5 | - Low needs | n/a |
| Band 6 | - Applicants living outside Nottinghamshire | n/a |

- 3.3.4 Applicants can make up to three bids each week.
- 3.3.5 When CBL was introduced in 2006, it was agreed that the quota system should provide 25% of all vacant properties to be offered to each of the Bands 1 to 4. The quota system was established so that the higher the housing need, the quicker applicants will be re-housed. Bands 5 and 6 only receive offers where there are no suitable bidders from Bands 1 to 4. As a result of the lettings being achieved per band, the quota targets were revised during 2007/08 as shown above.
- 3.3.6 The policy does allow for a small proportion of properties to be let outside the CBL scheme so that cases of exceptional need can be met. Manual offers enable an applicant to be matched to a particular property where there is an extenuating or individual need, such as, an adapted property for an applicant with specific disabilities or where we need to

move a tenant from a property that is in a regeneration phase to a like for like property. Last year there were 71 manual offers made.

- 3.3.7 Manual offers are only made in very exceptional circumstances such as urgent health and safety grounds, adaptations required or a homeless applicant who is over their 28 day bidding period. With the exception of homeless manual offers, all other cases have to be approved by an Allocations Panel. The Panel consists of 2+ x PO1 Managers and a Chair at a PO3 grade. The decisions are recorded centrally and the paperwork monitored by the Central Allocations Officers. Monthly reports are submitted to the Allocations Co-ordinator, Head of Operations and then the Housing Operations Directorate Management Team for scrutiny and ratification. A report is also provided to the Performance and Regulatory Committee every 6 months.

4 NEXT STEPS

- 4.1 Nottingham HomeLink is 16 months old and more conclusive evidence about its operational impact can now be evaluated.
- 4.2 The key aims of CBL and the Allocations Policy are:
- to provide housing for those in most need
 - to empower people to make decisions over where they live
 - help to create sustainable communities
 - encourage effective use of the City's stock
- 4.3 Many applicants see CBL bidding as a positive and proactive way of looking for housing, as per research undertaken for the CLG. However, applicants who have been bidding unsuccessfully over long periods express frustration and suspicion with the system and a lack of confidence in its fairness.
- 4.4 Early findings demonstrate that:
- advertising and promoting greater choice has increased interest in numbers on the waiting list
 - homeless households are now less likely to be housed in only low demand areas than was previously the case
 - the proportion of lettings made to minority ethnic tenants tends to have risen under CBL
- 4.5 Weaknesses and teething problems have been identified since the introduction of CBL and this is to be expected. A more extensive review now needs to take place and the scope of this review is to identify bidding patterns but also how we help those who are not able to bid and those with less obvious needs and support, for instance, those with mobility problems or literacy difficulties. This is to ensure that we are providing help for those who could be missing out. Where immediate actions are beneficial these will be implemented. Some of the areas of action/review are as follows:
- an increase of 3 staff at HomeLink to provide more support

to applicants in bidding

- a bi-monthly HomeLink Newsletter with a 'frequently asked questions' leaflet produced from December 2007
- a survey to all applicants on the waiting list has just been completed and is being analysed
- a stakeholder and elected member survey underway
- a review of service standards involving staff and tenants during November
- monthly customer satisfaction surveys of new tenants since August 2007
- to centralise the annual revision letter process to increase response rates and ensure greater accuracy
- to establish a regularised system for proxy bidding
- a review of the CBL IT system
- to establish a system to analyse applicants who are not bidding, bidding inappropriately and at point of application identifying applicants who may need help with bidding ie. mobility or literacy problems. Looking at ways to provide more opportunities for access and support for these applicants
- an analysis of elderly and disabled applicants and how they are bidding
- an analysis of transfer applicants to identify bidding support
- to review the application form and ask on the form if applicants are likely to bid online, by phone or need help and support in bidding
- evaluate freephone facility for 24 hour bidding hotline

4.6 The Allocations Service Review Project will be completed by March 2008. A further report on progress can be re-submitted to Overview and Scrutiny Committee when required.

5 FINANCIAL & RISK IMPLICATIONS

5.1 Additional resources are being considered as part of the organisational restructure. This will increase the number of HomeLink Advisors to enable more support to be provided to applicants and will include monitoring those not bidding or bidding inappropriately. This will release the HomeLink Support Officers in providing a visiting service to reach those customers who are currently not accessing the service.

5.2 The review underway will identify if there are any increased costs and if these are not within budget allocation. Business cases for any increased costs will be submitted to EMT for consideration.

5.3 Weaknesses and perceptions of the allocations service need to be improved. The scheme has been in operation for over one year and the analysis of the service to date can now direct us to take prioritised action to increase confidence and demonstrate transparency and continuous improvement.

6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

- 6.1 The review of the allocations service will meet with our Mission, Vision, Values and core objectives to deliver excellent services and engage with customers and stakeholders.

7 VALUE FOR MONEY & EFFICIENCY ISSUES

- 7.1 A service review will examine if the processes we have in place are fit for purpose and will identify greater efficiencies in service delivery.
- 7.2 We will benchmark our service, policies and procedures, including IT systems with other providers.

8 EQUALITY & DIVERSITY IMPLICATIONS

- 8.1 There are a range of equality and diversity issues to analyse as part of delivering allocations in Nottingham. An Equality Impact Assessment is to be undertaken this year to capture critical information about applicants who are registered, bidding and those being made offers and to what types of properties and areas within the City. The scope of this assessment will identify BME, disability, literacy and those economically disadvantaged. The outcome will be to agree local targets and identify actions to promote the service, provide information and more support where needed.

9 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 9.1 Internal Audit Reports 2004 – 2006
HouseMark Review November 2006
Herriot Watt University Monitoring the Long Term Impact of Choice Based Lettings, for the CLG

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