

Implementing a choice-based lettings system for social housing tenants

Concern about unfair, bureaucratic allocation of social housing is widespread among housing providers, councils and tenants. **Harborough Home Search (HHS)** was designed to replace a points-based allocation system with a lettings service that homeseekers could understand, and to provide more choice and involvement in selecting a new home. This choice-based lettings service was developed from the Delft Model, operated in 85 per cent of the Netherlands. Current government guidelines in England suggest that choice-based lettings offer tenants a greater role in deciding where they wish to live and when they want to move. The Government's Housing Green Paper and other policy initiatives are encouraging social landlords to offer more 'choice' in lettings. This report by Tim Brown and colleagues charts the development and initial implementation of the first district-wide UK choice-based lettings system based on a common housing register. The study found that:

- f** Harborough was ready for a 'culture' change in the way social landlords deal with tenants and prospective tenants seeking a new home. The district council was committed to a more customer-oriented approach, and involved tenants, housing staff, councillors and local organisations in the process.
- f** All 3,100 social housing properties in the Harborough DC area were included in the HHS scheme involving four social landlords in partnership.
- f** Choice-based lettings were based on six principles, including clear provision of information on available properties, eligibility and placing the initiative on the customer.
- f** 80 per cent of HHS users who could compare it with the old points-based service said that they preferred HHS.
- f** Older people, people with mobility problems and voluntary groups strongly supported greater customer choice. They understood more clearly the basis on which properties were let, and how long they would have to wait for an offer.
- f** Customers liked choice, even though it was very constrained because of the high-demand rural housing market in Harborough.
- f** HHS has contributed to an improvement in the council's re-let times.
- f** Monitoring choice-based lettings assisted HHS landlords to plan and prioritise modernisation, adaptation or demolition of existing properties, the building of new properties, and neighbourhood regeneration.

Background

Empowering consumers to choose their new homes is central in any choice-based lettings system. Yet in areas such as Harborough where there are shortages of social housing stock, that choice is highly constrained. This was the reality that faced the partners in the Harborough Home Search scheme.

The HHS scheme was established to enable a shift for homeseekers and social landlords, from:

- point-hunting to home-hunting;
- dependency to empowerment;
- artificial boundaries to real housing markets;
- an organisational to a customer focus.

Since the model was new in the UK, it was also important to see how far the principles of the Delft model of choice-based social housing lettings could work in a different country. The process of establishing HHS was one of identifying both opportunities and constraints. It relied on a high level of consultation and promotion among landlords, customers and with the wider community of housing professionals and local organisations.

The scheme involved the establishment of a partnership between Harborough District Council, three housing associations (De Montfort Housing Society, East Midlands Housing Association, and LHA – the Housing and Regeneration Agency), and Leicestershire Disabled Persons Housing Service. The Centre for Comparative Housing Research at De Montfort University helped to develop HHS and subsequently monitored the scheme.

The overall aims of HHS were to improve:

- customer choice and satisfaction;
- the effectiveness and performance of the allocations system;
- the availability of detailed information to inform the local housing strategy.

During the research, neither Harborough District Council nor its partners in HHS received significant external funding. This is typical of the situation facing the majority of local authorities and social landlords considering a change from points-based allocations systems.

By the end of the research, HHS was one of 27 choice-based lettings pilot schemes chosen for financial support from the Office of the Deputy Prime Minister. These pilot schemes are running from April 2001 to March 2003.

What are the principles of Harborough Home Search?

Among many customer comments about HHS recorded in the research were the following:

"People are treated as people rather than numbers."
and

"We can make choices [about lettings] when we want to." (Users of HHS)

These comments typified the way in which the Harborough social landlords made a significant shift in their 'culture'. Instead of allocating points and properties, they handed a degree of choice regarding new homes over to their existing and new tenants. Essentially, the landlords relinquished some of their power over access to social housing.

Gary Kirk from LHA suggested that there was a real need to move away from allocations being made behind closed doors. He said that:

"The beauty of this model is that people will be able to see how many people expressed an interest in a property on offer and the criteria used for the selection of the successful applicant ... it's an open, transparent system for the public ... a better and fairer system."

The partner landlords implemented the process of change by adopting the six principles on which the HHS scheme is based. These principles were adapted from the Delft model, and are flexible rather than a blueprint. They are as follows:

- **Putting the initiative on the customer** – the initiative to apply for a particular property is taken by the customer, rather than the housing officer offering a property.
- **Providing the customer with market information** – information on the popularity of particular types and locations of property is provided. This helps homeseekers to make realistic choices. In addition, HHS provides information on other housing options (such as Care and Repair) to help customers to make informed choices on how best to resolve their housing problems.
- **Offering information on the property and neighbourhood** – as well as basic information on available properties, the information provided gives more detail about property features such as central heating, garden, location, schools and so forth, and offers 'real choice' as in the owner-occupied sector. This helps customers to make more informed responses to advertisements, for properties that are more likely to suit their needs and preferences.
- **Supporting vulnerable groups** – mechanisms such as priority cards, targeted advice and support, or a banding system based on 'levels of need' can be used to protect vulnerable people and improve their housing opportunities. This kind of support also ensures that people in the most urgent need can be helped. HHS adopted the system of priority cards and enhanced proactive advice.
- **Operating transparent selection criteria** – straightforward conditions are used to decide which customers are eligible to come onto the register to

be considered for housing. Transparent criteria are used to assess needs and award priority among homeseekers (for example, separating applicants into broad bands of need and waiting time).

- **High-quality communications** – the quality of communications between landlords and homeseekers is central to the system. A wide range of advertising channels can be used, such as regular mailings, telephone and personal responses to customers, use of information and communication technologies and websites, and the establishment of property shops (similar to estate agents).

When the HHS partners made the decision to adopt their modified version of the Delft model in Harborough, a whole range of issues needed to be confronted. In addition to customer apprehension, these issues included the need to: ‘take on board’ staff and members to become committed to the new approach; set up a new system of advertising properties and matching homeseekers to properties; and establish safety nets for vulnerable people with priority needs.

How does HHS work?

Figure 1 shows the Harborough Home Search process. Homeseekers have to show evidence of ‘need’ to be able to qualify for the housing register. Needs are divided into three categories: priority needs, general needs, and no needs. This last category comprises households not eligible for the common housing register.

What information is provided by HHS?

The heart of the HHS scheme lies in mailing out property details to all existing and prospective tenants who have registered. Homeseekers are able to make up to two choices of property from each two-week advertisement cycle.

In the first year of operation studied, 1,540 homeseekers received information sheets detailing available properties. Property details usually included:

- location;
- landlord;
- rent and service charge;
- brief details of the property type, including number of bedrooms;
- council tax band;
- heating system;
- unique or important features (e.g. sheltered housing, links to lifeline/control centre, and closeness to amenities and facilities).

Information was provided on which types of households were eligible to apply (e.g. new or transfer applicants, household type) and any other restrictions (e.g. no pets, suitability or unsuitability for children).

Figure 1: Harborough Home Search process



What do homeseekers look for?

The study found that homeseekers' geographical search patterns were extremely localised, stable and clearly defined:

- Between 75 and 80 per cent of homeseekers expressed a preference for a home in either the same ward or an adjacent ward to where they currently lived. This preference was also reflected in their responses to advertisements and their choices of a new property.
- By the end of the first year of HHS operation, homeseekers still preferred to wait for their 'ideal' home, rather than modifying their search behaviour and opting for a second-best choice.

The implications of this were that the majority of homeseekers in Harborough were clear about where they wanted to live and knowledgeable about the properties concerned. Feedback from focus groups,

surveys and one-to-one dialogue suggested that some customers would like additional information on room sizes, internal layout and garden details.

Issues for housing managers

Feedback from staff highlighted examples of conflicts between adopting a customer focus and business performance requirements. Balancing customer choice and managerial efficiency has not been straightforward to resolve. For example:

- some customers commented that they would like more information;
- older people requested more time to make choices and consider offers;
- landlords felt pressured to emphasise cost-effectiveness in the provision of information, and the need to speed up re-let times;
- the housing association landlords had more problems of adjustment to HHS, probably because their properties were more geographically spread and their allocations systems more diverse;
- problems over re-let times were experienced when a property was rejected after being viewed and offered to a customer;
- there were concerns over the time taken over the matching process;
- re-lets and voids were regarded as 'too narrow' performance indicators;
- there was seen to be a general increase in paperwork.

However, council staff said that they were gaining more job satisfaction, since they now:

"... feel we are helping customers ..."
and
"Customers like choice and say that they are satisfied because it is better than the council selecting tenants." (*Harborough DC housing staff*)

Future development of HHS

Partly as a result of the monitoring and evaluation carried out for the research during the period April 2000 to March 2001, specific new initiatives are being rolled out, including:

- a one-stop Property Shop offering face-to-face contact and advice for homeseekers;
- an HHS website (<http://www.harborough-home-search.com>), which provides enhanced information on advertised properties and information on other housing options;
- advertising shared ownership, low-cost home ownership and other mixed-tenure options through HHS;
- encouraging more of the 90 voluntary agencies in the area to become active participants in HHS.

Nevertheless, the achievements of HHS need to be put in context. The major issue facing the local area is the lack of social housing of the right type in a suitable location for customers. For example, there are only 23 four-bedroom social rented properties in the district. Large households, therefore, have little if any choice. There are also many villages where there is no social rented property available. These problems cannot be addressed through the implementation of a choice-based lettings system.

About the project

Preparation of the report on HHS was part of an action research process. The team from the Centre for Comparative Housing Research at De Montfort University, led by Dr Tim Brown, and Nicola Yates, Chief Officer (Community Services) at Harborough DC were actively involved in developing and implementing the HHS scheme as well as in analysing its effectiveness and outcomes. After the initial findings had been collated, the original author team was joined by Alan Dearling, a senior research consultant to the Chartered Institute of Housing/Joseph Rowntree Foundation.

How to get further information

The full report, **Allocate or let? Your choice: Lessons from Harborough Home Search** by Tim Brown, Alan Dearling, Ros Hunt, Jo Richardson and Nicola Yates, is published for the Foundation by the Chartered Institute of Housing (ISBN 1 903208 29 7, price £13.95).

The following *Findings* look at related issues:

- **An evaluation of the 'Homebuy' scheme in England**, Jul 01 (Ref: 751)
- **British social rented housing in a European context**, Feb 02 (Ref: 232)
- **Mutual exchange as a means of moving home for tenants**, Sep 02 (Ref: 932)