



## **Choice Based Lettings: What You Need to Know**

The Council recently consulted on changes to our Rent Setting Policy and as part of that consultation, we noticed that various comments related to the level of choice given.

Therefore, the Council would now like to look at the way it lets its houses and perhaps consider the implementation of a Choice Based Lettings Scheme. This consultation is designed to get the opinions of tenants and applicants on such a scheme. Your feedback will be used to influence the development of the Policy and provide Councillors with your views.

### **So What is a Choice Based Lettings Scheme?**

Choice Based Lettings are designed to give applicants more choice and involvement in selecting a new home.

When a property becomes available the council would place an advert perhaps in the local press and online inviting bids for the property. The advert would include information on who would be eligible to apply for the property dependent on their priority and the property type. Applicants then place bids on properties that they are interested in and the applicant with the highest priority would be awarded the property. If there were a number of bids with the same level of priority pass we would then look at the date that the applicant registered with us to make the selection.

Choice based letting is seen by some as a more transparent and open way of allocating properties which gives applicants a greater degree of control over the properties that they would like to be considered for.

### **The Council's Lettings Policy**

The Council's Lettings Policy is based on a priority pass system. This system is designed to offer fairness in allocations by awarding points to applicants based on assessed housing need.

Different types of housing need include:

- Homelessness
- Medical need
- Overcrowding
- Insecurity of tenure

- Unfit condition of current housing

Applicants would still require to complete an application form and will be awarded a priority pass if relevant.

Once the relevant assessments have been undertaken priority passes are awarded to each application based on the individual circumstances of the applicant. The number of points and level of priority awarded, if any, will determine the applicant's position on the waiting list and their priority for housing.

If the Council was to implement a choice based lettings system additional investment would be required in IT systems to ensure all bids were appropriately recorded and to interlink with the current allocations process. Costs have been kept to an absolute minimum. Anticipated costs for year 1 are £10,000. This includes the design and development of necessary IT systems. This figure would drop for future years as the IT system required would by then be in place. The cost of advertising is expected to be in the region of £3,370 per year at current costs (assuming adverts were placed in the local press) and the cost of advertising would carry on for the life of the system.

It is anticipated that the Council could cover the £10,000 initial costs from within the existing budget. However, any cost from advertising would need to be shared amongst the Council's 860 tenants and this would represent a small weekly increase on top of any other rental increase. This is likely to be in the region of £4 per year per household.

## **Things to Consider When Considering Choice Based Lettings**

- Applicants have more choice as to which properties they would like to be considered for.
- Choice based lettings is seen as a more transparent way of allocating properties as landlords are required to publish information on how many people bid for each property and the criteria used in selecting the successful applicant.
- As applicants apply for individual properties under choice based letting there should be fewer refusals when a property is offered, reducing void (empty property) times, creating longer lasting tenancies and increasing tenant and applicant satisfaction.
- Choice based letting is a complex system to administer so would require enhancements to the existing IT system to operate a choice based lettings system. This would have large upfront costs.
- The above IT cost could come from existing budgets. But the costs of advertising would come from rental increases.
- Applicants need to actively engage with the system and bid on properties for them to have a chance at being successful in getting a house. Some may not be able to do this without assistance.
- There could be greater dissatisfaction if an applicant with no priority keeps bidding for properties but not getting housed.

## Collection of Your Responses

A survey form is available in hard copy to be returned to:

Housing Services, Orkney Islands Council, Council Offices, School Place, Kirkwall, KW15 1NY.

Or is available from:

<https://www.smartsurvey.co.uk/s/shelteredhousingconsultation/>

For further information contact Housing Services on 01856873535 or [Housing@orkney.gov.uk](mailto:Housing@orkney.gov.uk)

Thank you for taking the time to give us your views.

This document is available, on request, in different formats such as audio format including compact disc, Braille, and in large print. It can also be made available in other languages on request.