



**An Roinn Tithíochta, Pleanála,
Pobail agus Rialtais Áitiúil**
Department of Housing, Planning,
Community and Local Government



Choice-Based Letting

Guidance for Local Authorities



December 2016

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1. What is Choice Based Lettings (CBL)

CBL is a method that can be used for the allocation of social housing, whereby available social housing is let by being openly advertised, allowing qualified applicants to 'bid' for or 'register an interest' in available homes. Rather than waiting for a local authority to make an offer of support as is the case under the traditional direct letting model, CBL involves applicants having to respond to adverts and “bid” for dwellings that they would like to live in. The ultimate allocation of support will still continue to be made in accordance with the priorities set down in an authority’s allocation scheme. CBL simply changes the way applicants experience the allocation process.

2. The Department’s approach to CBL

Rebuilding Ireland - Action Plan for Housing & Homelessness (July 2016) provides, under action point 5.4, that the Department

“will introduce and implement as early as possible across all local authorities a choice-based or equivalent allocation system, tailored to their specific circumstances”.

This followed on from a similar commitment given in the *Social Housing Strategy 2020: Support, Supply & Reform* (November 2014). It explicitly recognises and seeks to build on the good progress and positive results experienced by a number of local authorities across the country since they introduced CBL (to varying degrees) over the past few years.

3. Statutory Basis for CBL

Under the Social Housing Allocation Regulations 2011 (S.I. 198 of 2011) as amended by the Social Housing Allocation (Amendment) Regulations 2016 (S.I. 503 of 2016) (hereafter referred to in total as the “CBL Regulations”), a housing authority must provide for a CBL approach to allocations in its allocation scheme no later than 31st December 2016.

Where a local authority decides to implement CBL as a method of allocation, the authority must implement its CBL scheme in accordance with Regulations 6 – 11 of the CBL Regulations. Authorities should now also have regard to the content of this guidance document.

4. The Principles of CBL

The key overall principle of a CBL approach to letting is that the system is based on applicant initiative, i.e. applicants become more engaged with the process, more proactively involved in seeking a social housing property rather than waiting for their local authority to contact them. It can be seen as being analogous to the way in which households in the private sector source their accommodation. It offers more choice and has the advantage of generally been seen as more transparent and fair for those that take part in it (when compared to the traditional direct lettings approach used by most local authorities) The box

below sets out Department thinking on the six key principles that should underpin any CBL approach to letting social housing property.

Key Principles of Choice – Based Lettings

Applicant-focussed: The initiative to apply for a property is taken by the applicant/customer, rather than the housing authority making an offer of a property as is the case in the traditional housing allocation model.

Support for Vulnerable Groups: There are a number of specific groups(such as the elderly and unwell or , people with learning or literacy difficulties) that may find it difficult to engage with a CBL system. It is vital that every support possible should be given to such groups so as to maximise their access to, and participation in, any CBL system.

Information Provision:: Applicants must be given as much information as possible about the CBL process itself and crucially about the properties on offer via CBL. Comprehensive information on the nature and features of both the property and the neighbourhood in which it is located should be given so as to help an applicant decide whether to bid on a property or not.

Communications: Communication between an authority and applicants/perspective applicants should be regular and should make use of a multichannel approach. Properties to be let under CBL should be advertised in as many ways as possible including on the internet, by e-mail, newsletters (both print and electronic), mail outs and telephone calls as well as adverts in public offices and local news media.

Feedback As much feedback as possible should be given to unsuccessful applicants should be provided including the general characteristics of the successful bidder for a property and where they finished in the bidding process.

Scale: Authorities should include the broadest range of properties possible in any CBL process. Without sufficient scale CBL is unlikely to take hold and the benefits available to applicants and local authorities alike are unlikely to be delivered in any meaningful way.

5. The Advantages of CBL

The CBL approach to allocations is used widely in the UK and other European jurisdictions, such as the Netherlands. It is generally regarded as having been successful in improving transparency and fairness in the allocation of social housing and contributing to a better and more sustainable community mix. CBL offers more choice and involvement for applicant households in selecting a new home, thereby reducing the likelihood of a refusal, and helping to build sustainable tenancies and stable communities.

CBL is also increasingly been used in Ireland over the past few years. Where it has been introduced applicants and local authorities alike have benefitted in a number of ways by its introduction. A summary of these are set out immediately below.

Empowerment of applicants: CBL empowers applicants to take part in their own search for accommodation rather than await an offer from an authority. CBL aims to transfer the allocation of social housing to a consumer led-led service to help create sustainable communities and deliver organisational efficiencies for social housing providers.

Open and transparent system for applicants: Through the market and neighbourhood information provided under a CBL system, households can make more informed and realistic choices on their options and preference areas.

Managing the expectations of applicants: CBL has been found to be effective in managing the expectations of applicants, which is particularly important in areas of high demand where waiting times can be a number of years. With the level of information provided under CBL, households have understood more clearly the basis on which properties are let and how long they will have to wait for an offer.

Reduction in the rate of refusal of reasonable offers: One of the key benefits of CBL to local authorities is that the number of refusals may be reduced, as households have a greater choice as to where they want to live. The results of the surveys undertaken by the Department in 2015 and 2016 indicated that that virtually all local authorities who used CBL experienced a drop in their refusal rates. This saves significant administrative overhead for a local authority and delivers real efficiency gains which can then be passed on to applicants.

Faster re-let times: CBL has been found to improve authorities' re-let times, not only because it can reduce the number of refused offers but also because authorities that have used it have found that the discipline of having regular advertising cycles and a list of interested applicants has resulted in faster turn-over of vacant stock, thereby reducing the level of voids.

Facilitates letting of hard to let dwellings: CBL can also be a useful approach to letting properties which were previously difficult to let, as applicants who may not have considered certain areas previously, may do so following an advert and make a bid on a dwelling.

6. Issues to be considered when introducing CBL

Best practice suggests that if adopting a CBL approach, it is most beneficial, to use it for a significant proportion of vacancies. Where CBL is only used for part of the stock applicants can find it difficult to identify which properties would be included in the CBL system and can also perceive the system to be less transparent.

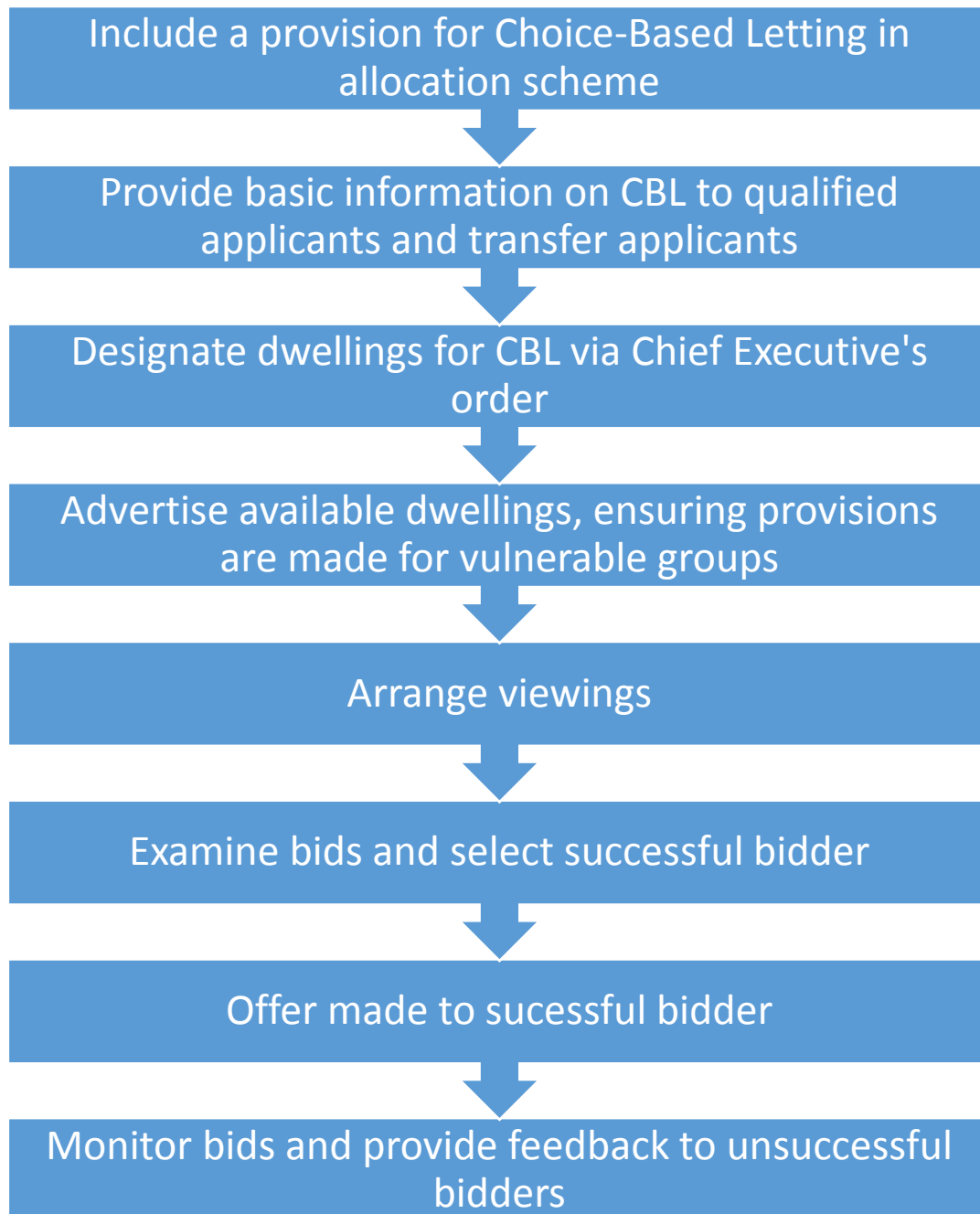
In addition, implementing CBL on a limited scale can distort the perceived effectiveness of the process and make evaluation of the success or otherwise of the process more difficult. While accepting that it may not be practical for authorities to implement CBL for all properties, where authorities do intend to use it, they should introduce it on a reasonable scale. If this is not practicable at the initial stage there should be a plan to expand its use over time. It is only with sufficient scale that the full benefits of CBL can be realised and a proper evaluation of the process be made possible.

Experience from the UK suggests that CBL works best where there are regular advertisements of properties. By grouping properties together with AHBs or other authorities in the application area (where applicable), this can allow more properties to be advertised and advertisement to be on a more frequent basis. This in turn enables households to become more comfortable with the process and view the process as a viable means to getting a home.

7. The CBL Process in Practice

The rules governing the operation of CBL are asset out in Regulations 6 to 11 of the CBL Regulations. Figure 1 provides a summary of the steps to be followed in adopting a CBL allocation system. Guidance material on each part of the process is given in the paragraphs that follow.

Figure 1: Choice-Based Letting – The Process



7.1 Providing for CBL in an allocation scheme

In order for an authority to use CBL, it must be included as part of the allocation scheme approved by the elected members. In accordance with CBL Regulations. Each local authority is required to make provision in their allocation scheme for CBL no later than 31st December 2016. The allocation scheme should not stipulate in what circumstances CBL will be used or for what properties (or property types) it will be used.

7.2 Provision of information to applicants

If a housing authority makes provision for CBL, they are required by Regulation 6 to notify this fact to all households on the waiting list for social housing support and all applicants for transfers. Applicants should be told that the authority may be using CBL as a method to allocate properties in the future. Regulation 6(3) specifies what information must be given to the applicants and this is detailed below. This same information should be provided to new households as soon as they are placed on the waiting list for social housing support or on the approved transfer list. This will ensure that an applicant household does not miss any opportunity to apply for bid dwellings that may meet their needs.

The information required under Regulation 6(3) is as follows:

- An explanation of CBL;
- Reference to the fact that prior to the allocation of a bid dwelling, the housing authority will review the social housing assessment for the household to determine whether the household continues to qualify for social housing support. (Regulation 7 (4)(d) refers);
- Details on the bidding procedure, namely that when a notice inviting bids is published, households have three weeks to apply in writing, and provide any supporting information specified in the notice;
- Details on what happens if an applicant refuses a property they are allocated through CBL, i.e. the household cannot bid for any CBL property for one year.

7.3 Designating dwellings for CBL

In accordance with Regulation 7, dwellings that an authority wishes to allocate via CBL will need to be designated as CBL dwellings by way of a Chief Executive's order. When considering what dwellings to designate, an authority should also consider the categories of household that will be eligible to apply for the dwelling.

If a housing authority decides to use CBL, it may use it for the majority of dwellings or decide to restrict it to certain dwelling types, for example, apartments. CBL may also be restricted to particular dwellings, such as dwellings which are difficult to let. However, authorities should be conscious of the benefits of scale in any CBL process.

A housing authority should decide the category of household which would be best accommodated by the bid dwelling available by considering the accommodation needs and requirements that the dwelling meets. For example, the housing authority may decide that a three-bed property may only be available to a family with two or more children. When advertising the dwelling, the housing authority may indicate that only families with two or more children are eligible to apply. In addition, a housing authority may choose to only accept bids from households who have specified the location of the dwelling as an ‘area of choice.’

7.4 Advertising of properties, having regard to vulnerable groups

Each designated CBL dwelling will need to be advertised. A housing authority should decide on the frequency of its advertisements. Whilst acknowledging that this will vary from authority to authority it is recommended that advertisements be made on a regular basis. Notifying applicants that ‘bid dwellings’ are available can be by way of individual advertisements or including groups of dwellings in a newsletter style circulation.

7.4.1 Minimum Information required to be published

The minimum information that an authority is required to publish in any notice for a bid dwelling, as set out in Regulation 7 (4),¹ is as follows;

- Location of dwelling
- Category (Type of Dwelling) e.g. 2 bed-house
- Class or sub-class of household that is eligible to apply e.g. single person household²
- Closing date for bids (which should be three weeks after publication, as per Regulation 6 (3)(b))
- Contact details of the housing authority
- Authorities will be required to advise applicants of the fact that, prior to the allocation of a bid dwelling, the housing authority will review the social housing

¹ The reference in Regulation 7(4)(c) was incorrect in the 2011 Regulations and has been corrected by S.I. 503 of 2016 to read “paragraph 5(a)”. This part of the Regulations sets out where the notice is available for inspection.

²When considering what class of household should be eligible to apply, an authority can decide to restrict bids to households who have selected the area as one of their areas of choice in their application.

assessment for the household, to determine whether they continue to qualify for social housing support.

- Date of publication.

In addition to the minimum information outlined above, authorities should include the following additional information in their notices:

- Internal and external photos of properties
- Photos of the estate/scheme
- Detailed information about services and amenities in the area
- The particular property features (e.g. ground floor, heating type, whether the property has a garden, if an apartment is on an upper floor, whether there is access to a lift, etc.).

It is important to give the applicants as much information as possible because, if applicants are to make an informed decision on whether to respond to a particular advertisement...

7.4.2 Placing of Notice

Regulation 7(5) requires that a notice should be published:

- on the internet
- at the housing authority's office
- and in other places it considers appropriate (e.g. local libraries, schools and health centres)

Authorities should also consider advertising properties in the local newspapers and free sheets or write directly to all households eligible for the available dwellings. Please note it may not be necessary to include all of the above information in an advertisement. An advertisement in the newspaper may give fewer details and direct interested parties to the website or to a local office to collect a newsletter or fact sheet.

It is important, however, that the requirements set out in Regulation 7(5) are fulfilled in every newsletter that is published, and that any additional adverts, etc., direct people to the newsletter that contains all this information.

7.4.3 Provision of assistance to vulnerable applicants

When introducing a CBL system, authorities need to safeguard the interests of groups who may potentially be disadvantaged by the active nature of CBL schemes. Such groups could include the elderly and inform as well as those with learning or literacy difficulties. There

needs to be recognition that some people will need assistance with the allocations process, and to facilitate this, local authorities may consider the use of an “assisted list”, whereby a list is established of those applicants who would be in need of assistance in this regard. Assisted list applicants can be helped in many ways. They can be sent vacancy advertisement lists through the post or through “proxy bidding” systems where the applicant can be contacted by the housing provider to notify them of potentially suitable vacancies, or a nominated advocate being able to make a bid on the applicant’s behalf.

Local authorities should liaise with groups in a position to assist vulnerable applicants, such as Threshold, Citizens Information and advocacy groups for people with disabilities and the elderly, as well as local community welfare officers. Public representatives can and have helped in this regard in other jurisdictions and they should be considered as a possible source of assistance in appropriate circumstances.

Local authorities may also use any other methods it sees fit, to bring notices to the attention to the categories of households that are eligible to bid for the dwelling(s).

7.4.4 Overall approach

Overall, the approach should be to provide the applicant with as much information as possible, so they can make an informed decision on whether they wish to bid for the property.

A local authority may also decide to work with other authorities or approved housing bodies to produce a combined newsletter and/or joint advertising. Operating an area of application at countywide level would bring together a larger pool of available housing and perhaps provide a more cohesive approach within county areas. The frequency of any newsletters will depend on the particular circumstances in the housing authority and how often vacancies arise. However, regular updates on the CBL process should be made available to all potential applicants on a regular basis even where there may have been no allocations under CBL for a specific period of time. .

7.5 Viewings - showing properties to bidders

In order to improve responses to CBL, an authority should consider putting in place a process to allow bidders to view the property. However, it is acknowledged that this could be very difficult to do from a resource perspective. On this basis, it is suggested that an authority take either of the following approaches:

1. Restrict viewings to a specified number of bidders, e.g. the top three bidders. or,

2. Hold an open morning/afternoon for viewings with a member of staff available at the dwelling(s) for all interested applicants prior to the bidding closing date.

7.6 Examining of bids and selection of successful bidder

Where a housing authority opts to incorporate CBL into its allocation scheme, the housing authority is required to allocate bid dwellings based on the order of priority set out in its allocation scheme.

It is also a requirement (Regulation 8) that a dwelling only be allocated to those households whose needs and requirements would be met through allocation of the bid property, i.e. a family with two children cannot be allocated a one-bed dwelling. As a general rule, accommodation which has been advertised should be offered to the bidder who:

- has the highest priority under the allocation scheme, and
- matches the lettings criteria for that dwelling

For example, a single person household would not usually be allowed to successfully bid for a property that has more than one bedroom.

Please note that, where a housing authority has not restricted bids to households on the basis of area of choice, it may decide, after applications have been received, to prioritise bidders who have indicated the location of the dwelling as an area of choice. This may be decided, for example, if a large volume of applications are received and a smaller number need to be shortlisted.

In summary, authorities should check whether the applicant is :

- still eligible to be allocated the dwelling
- meets any other specific letting criteria set out in the advert
- has the appropriate priority under the allocation scheme.

A check should also be made on whether or not the size of the applicant household matches the property advertised.

If, for any reason, the housing authority decides that they no longer wish a dwelling to be a 'bid dwelling', they may terminate the designation as a bid dwelling. This is provided for by Regulation 9. The original Chief Executive's Order which designated the dwelling(s) for CBL may be rescinded.

7.7 Monitoring of Bids and provision of feedback to Bidders

It is critical to the success of CBL that applicants are informed about what categories of household were allocated bid properties and how many bids were received. This allows an applicant to understand the demand for certain properties and their chances of obtaining a property through CBL. Feedback can take the form of a table that shows the reference numbers of previous adverts, brief property details, the number of valid bids received and the key determining factor (such as applicant priority, length of time on the list) that decided which household secured each property. It may be useful to indicate, for example, that the property was secured by a 1 adult, 2 children household.

A feedback table should be published online at the very least after a batch of allocations has been completed through CBL, or could simply be added as an appendix to the next newsletter. Ideally feedback would be provided on each individual property allocated under CBL as soon as possible after the allocation i.e. in real-time. However, it is accepted that in the initial stages of the roll-out of CBL that this may not be possible due to resources constraints. However, it should be the overall goal of any authority operating CBL. Over time, this practice will lead to applicants having greater confidence in bidding for properties under CBL as they become used to how the approach works and familiar with the characteristics of households that are successful.

8. Refusals under a CBL system

Regulation 12(4) sets out that a refusal of a bid dwelling by a household is not considered a refusal in terms of the overall refusal policy in an allocation scheme. This means that a refusal of a CBL dwelling cannot be counted as one of an applicant's official offers. The reason for this is that evidence elsewhere suggests that penalising applicants for refusing CBL dwellings discourages households from applying in the first instance and is not helpful when first implementing the scheme.

However, in order to maintain the efficiency of the scheme, Regulation 10(1) provides that, where an applicant does refuse a reasonable offer of a bid dwelling, the household cannot bid for another bid dwelling for one year. This applies across all authorities and, therefore, it is recommended that other housing authorities in the application area should be notified of any refusals under CBL.

9. Monitoring of CBL systems by the Department

As stated in Housing Circular 40/2016, the Department will continue to monitor the implementation of CBL across the country in order to better inform future policy direction in this area. Surveys of the extent and manner in which CBL operates across local authorities

will be undertaken. The first such survey is expected to take place before the end of September 2017.

Social Housing Policy
December 2016.

APPENDIX: Templates for Choice-Based Letting

This appendix provides samples of some basic templates for use by an authority in a CBL system. The samples given (a CBL newsletter with adverts and an applicant bid sheet) are simple in design but still adhere to the principles of CBL set out in the Box on page X.

It is acknowledged that more sophisticated examples of best practice are available. Indeed a number of local authorities' in Ireland already have relatively sophisticated CBL systems in operations for some time now. Those authorities that have yet to use CBL to any great degree are encouraged to source such best practice. A number of local authorities are already operating CBL. choice-based letting and further templates may be provided based on the experience of these authorities.

SAMPLE CBL NEWSLETTER FORMAT

XXX XXX Council

Choice-Based Lettings Newsletter No.1- *DATE*

Properties available this month are shown in this newsletter. Bids can be placed by filling out the bid sheet at the back of this newsletter. Please post your bid sheet (pg3) to the address below, to be received by ***DATE***.

Contact Person

XXX County Council

Address 1

Address 2

Address 3

Note – the housing authority may make a newsletter available in hard-copy and online and may receive bids electronically or via post.

If you have any inquiries, please contact [Contact Person] at [contact number]

We ask that you bid only for properties that you genuinely want to view.

You may not be able to bid for every property, if only certain categories of households are allowed to bid for a property, this will be indicated in the adverts in this newsletter.

When allocating a property XXX XXX Council will review your household's housing needs assessment and make a fresh determination of your eligibility and need for social housing support.

This notice is available to view online at [web address] at also at the council offices at [council address] and [any other locations]

1 beds		
Advert Code	Property description (address, dwelling type, any other details)	
Photo 1	Photo 2	Photo 3
Neighbourhood description and local amenities		
Category of household eligible to bid, if specific. Any supporting documentation required		

2 beds		
Advert Code	Property description (address, dwelling type, any other details)	
Photo 1	Photo 2	Photo 3
Neighbourhood description and local amenities		
Category of household eligible to bid, if specific. Any supporting documentation required		

SAMPLE CBL Bid Sheet

Please return this sheet to the address below by **Date & Time**

Contact Person

XXX County Council

Address 1

Address 2

Address 3

Advert Code	Address	Tick to Bid

If you have any inquiries, please contact [Contact Person] at [contact number]

Signed :

Name(s)	
Current Address	
Contact telephone number	