Improving access to social housing: paradigms, principles and reforms

authored by
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EXECUTIVE SUMMARY

Social housing in Australia is under pressure. Put simply, demand remains high, whilst the annual supply of vacant homes available to allocate to households has declined markedly over the last fifteen years. States and territories, which currently provide more than nine in ten dwellings in the sector, have responded in a number of ways. They have rationed access to existing social housing to households with the most urgent and complex needs. They are attempting to draw in additional resources from the not-for-profit and private sectors in developing a more diverse social housing sector with an increasing range of providers, delivering a greater range of products and services. This inevitably raises questions about how well traditional administrative applications/allocations systems work and what options are available that may deliver better outcomes for households, providers and the sector overall (Chapter 1).

In this Final Report, we examine in detail some options to improve access to social housing within three separate but interrelated policy paradigms. Firstly, we consider reforms within a welfare service delivery paradigm which inter alia aim at achieving greater integration of services. In particular, we examine ‘common housing registers’ which try to achieve more coordination and better integration in access to social housing. Secondly, we investigate options within a paradigm of consumer choice which aim at enabling households to have more choice and control of decisions about their housing, most notably ‘choice-based lettings’. Thirdly, we examine options within a paradigm of sustainable communities, aimed at improving place management, in particular, local allocations policies (Chapter 2).

The findings reported here are derived from analysis of information and data obtained using a number of methods including: workshops with policy makers and practitioners in four Australian states, fieldwork in eight sites in the UK (around England and Scotland) and two in Canada (Ontario and British Columbia), and extensive review of a range of documentary and other material (Chapter 3).

Common housing registers involve two or more social housing providers working together to provide coordinated housing information and advice, a single access route for applicants, and a single data base of applicant details\(^1\) – in effect, the ‘front end’ of an applications/allocations process. They are operating at a provincial (state) level in British Columbia, and in all local authority areas in Ontario and many in England and Scotland. A common housing register is being implemented in Queensland, attracting considerable interest from other Australian jurisdictions. The main findings from the research (Chapter 4) are:

- There is no one model of common housing register: they vary in scope, the number and range of participating providers, the extent of centralisation or decentralisation of tasks, use of technology and level of sophistication;
- Common housing registers require collaborative working between providers even where, as in Ontario, they are mandatory;
- They are customised for the context in which they work; participant providers commonly retain their own eligibility criteria, prioritisation systems and matching (allocation) policies, or they may negotiate some degree of commonality in these functions;
- Most common housing registers in our study in the UK and Canada were originally based on a local authority area (except British Columbia), but there is a trend

\(^1\) Using a definition developed by the Scottish Executive (2006: 1).
towards sub-regional and regional systems which correspond with housing submarkets;

- They require considerable resourcing in development and implementation, which is usually provided by governments, and some governments choose to promote them more heavily than others (particularly in Scotland);

- The biggest obstacles to successful implementation are fears by not-for-profit providers that their autonomy will be eroded, and the risks involved in obtaining the right information and communication technology.

Choice-based lettings are operational in more than a quarter of English local authority areas and to a lesser extent in Scotland, and are increasingly linked to common housing registers. There is also a pilot scheme in Whyalla (South Australia). They replace the final stage of the applications/allocations process, i.e. matching of households and properties. Instead, individual vacancies are advertised using a variety of media, and registered applicants may bid for a property. Bids are then ranked, according to an established prioritisation system, with the property being offered to the highest ranked bidder. The research (Chapter 5) found that:

- Choice-based lettings in England have been heavily promoted, financed and supported by the UK government;

- Like common housing registers, they vary considerably in scope, participation, the number and range of participating providers, the extent of centralisation or decentralisation of tasks, use of technology and level of sophistication;

- They were initially based on local authority areas, but there is an increasing trend towards sub-regional and regional schemes that correspond with housing submarkets;

- Some not-for-profit providers, particularly the smaller ones, have decided not to participate, and others may decide not to continue if they have to pay their full share of operating costs;

- The biggest barriers to successful implementation are inability to embrace a cultural change which views households as consumers and active bidders rather than passive welfare recipients, and the procurement and implementation of quite complex hardware and software systems.

Local allocations policies are found quite commonly in the UK and exist in a de facto way in Australian jurisdictions, with more formal processes in Queensland and pilot projects in Victoria. Like choice-based lettings, they are a reform to the last stage of the applications/allocations process, matching households with vacant properties. They aim at addressing a range of problems being experienced in a building, estate or neighbourhood. They involve both ‘flexible’ allocations policies that open up access to housing to a broader range of households than previously, and ‘restrictive’ allocations that limit the number of particular household types offered accommodation in an area, the latter being more controversial. They are typically regarded as a practice issue rather than a policy reform (Chapter 5).

Evidence on the outcomes of these three reforms is patchy. Very little is known about the outcomes of local allocations policies, and surprisingly little evaluation has been undertaken on the outcomes of common housing registers, even in jurisdictions like Scotland which promote them heavily. The limited evidence available suggests that they are generally supported by providers, particularly local authority ones, but little is known about the views of applicants or prospective applicants and there is little data available on whether projected efficiencies for providers have been realised. There appear to be two reasons for the latter: providers do not have accurate baseline data
prior to implementation of the common housing register for comparison purposes; and in its development, they often make changes to administrative policies and procedures which may deliver efficiencies which would have been possible even without the register.

There is more evidence on the outcomes of choice-based lettings in England. This consistently indicates that they increase satisfaction levels for households who consider this approach fairer and more transparent than previous systems, although there is some dissatisfaction with restrictions on bidding and some frustration among unsuccessful repeat bidders. Modest gains in terms of sustainable tenancies are also claimed. Evaluations of choice-based lettings indicate that there are some demonstrable savings for providers, particularly in reducing vacancy periods and costs for local authority housing, but that these have to be balanced against substantial costs in development, implementation and ongoing operation (Chapter 6).

The overseas reforms that we discuss have been developed in particular national and sub-national contexts and cannot be transferred uncritically to Australia, which differs in terms of national and state/territory policies, institutional settings, the history and configuration of social housing in individual places and jurisdictions, and demand and supply in particular housing submarkets. In considering the applicability of these reforms to Australia, a number of key issues arise (Chapter 7), including:

- Do higher levels of government see common housing registers as a tool to achieve some control over which households are allocated social housing in an increasing not-for-profit sector and, if so, could this be achieved by other processes, such as ‘nomination' arrangements?
- Are current institutional settings and/or legislation adequate to ensure that homeless people and others with complex needs would not be disadvantaged by any of these three reforms, if adopted?
- Would the de facto income support encapsulated in public housing rents in Australia, and other rent models used by not-for-profit providers, provide a barrier to the development of common housing registers and choice-based lettings?
- How would community/affordable housing providers, which are generally very small and have few resources, be able to participate without additional resourcing from governments?
- How would the delicate balancing act between making access to housing simpler, fairer and more transparent, on the one hand, and supporting diversity and choice in social housing provision, on the other, be achieved?
- How would the costs and benefits of developing, implementing and operating such reforms such as common housing registers and choice-based lettings be assessed, in terms of the relatively low volume of allocations in Australia and the large number of small not-for-profit providers with very low numbers of vacancies?
- What type and size of geographic area would be the focus of any of the three reforms, particularly given the small size of many metropolitan local government areas and relatively low levels of stock spread across large geographic areas in much of regional Australia?

Two additional considerations should be highlighted in considering the applicability of these reforms to Australia. Both common housing registers and choice-based lettings are resource intensive, particularly at the development and implementation stages. They require not only financial support and people with the requisite skills, but also appropriate information and communication technology systems. They involve new processes, but also new products in the form of technology systems.
Finally, our research highlighted that the reforms in the countries in our study involved considerable cultural change. This entailed thinking differently about how households access social housing, rather than a traditional property allocation perspective. It also involved a commitment to obtaining, producing, coordinating and sharing better information – to prospective applicants and applicants, between social housing providers in an area and other interested parties, and between governments. Such cultural change appears to be a prerequisite for thinking through some of the complex issues discussed in this report (Chapter 8).

This Executive Summary covers the Introduction to the Final Report (Chapter 1) and Part A (Chapters 2-8) which addresses the research questions for the project. There are two additional parts that provide a more practical resource which can be used by policy makers and practitioners in the sector when considering reforms to social housing applications/allocation systems:

- Part B (Chapters 9-10) provides details on the development, implementation, and operation of common housing registers and choice-based lettings from analysis of material from our study sites in England, Scotland, Ontario and British Columbia, which addresses questions raised by the Australian workshop participants. Some of this information is summarised in Part A, but Part B provides the detail that practitioners in Australia may need in dealing with issues of implementation and operation;

- Part C is a resource kit which captures the main learning from this project and provides a practical tool to assist those who are reviewing applications/ allocations systems in social housing or considering reforms to improve access.
1 INTRODUCTION

Access to social housing is of direct and immediate concern to many households in unaffordable, insecure or inappropriate housing; to residents, schools, services, facilities and local councils in areas in which social housing is located; to social housing providers in government and the not-for-profit sector; and to governments responsible for developing, financing and regulating the social housing sector.

The traditional means of access to social housing in Australia has been through administrative 'allocations systems', in which access has been predominantly through public housing wait lists in each state and territory, supplemented by the disparate allocations systems of a large number of small community housing providers. Such systems have been under pressure in recent years, as highlighted in a recent project for AHURI on ‘Allocations Systems in Social Housing’ (Burke and Hulse 2003; Hulse and Burke 2005). This work detailed current allocations systems in social housing in Australia and the context for change. It found that there has been a significant decline in the number of new households able to access social housing each year, resulting in persistently high wait lists and long wait times in some areas. Social housing providers have responded with increased targeting to households with the most urgent and/or complex needs, prompting concerns by residents and councils in some areas about the effects of this targeting on the sustainability of local communities. At the same time, diversification in the range and type of social housing available, and different models of financing, ownership and management, have prompted questions about the costs and benefits of each provider maintaining its own access arrangements as is currently the case, as well as issues of information and choice for households.

This is the Final Report from a project that examines options for improving access to social housing in Australia, in ways that respond to some of the pressures on allocations systems highlighted above. It was preceded by a Positioning Paper (Hulse et al. 2006), which reviewed relevant literature and developed an analytical framework for examining allocations systems in social housing and potential reforms. Table 1 summarises this framework, highlighting the similarities and differences in access to private rental housing (column B) compared with public housing and community housing, the two current sub-sectors of social housing in Australia (columns C and D). The table also indicates a range of possible options to improve access to social housing as a single sector comprising multiple providers and including some components of access to private housing (column E).
<table>
<thead>
<tr>
<th>Specific component</th>
<th>B Private rental (market access)</th>
<th>C Public housing (administrative systems)</th>
<th>D Community housing (administrative systems)</th>
<th>E Options for reform (mixed model)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing providers</td>
<td>Many providers in competition with each other</td>
<td>One dominant provider (public housing agency)</td>
<td>Multiple providers</td>
<td>A number of providers with negotiated, cooperative working arrangements</td>
</tr>
<tr>
<td>Information provision</td>
<td>Onus on households to access information on options generally and specific properties available</td>
<td>Public housing agency supplies general information about its housing and how to apply</td>
<td>Each agency supplies material on its housing and how to apply</td>
<td>Coordinated and easily accessible information on different types of social housing (may also provide information and advice on other housing options)</td>
</tr>
<tr>
<td>Registration/application</td>
<td>Households can list with multiple landlords or real estate agents and apply for particular properties</td>
<td>Households make a general application for housing with the provider</td>
<td>Households make a general application for housing with the provider</td>
<td>Common application for access to social housing, including provision for specification of preferred provider(s)</td>
</tr>
<tr>
<td>Eligibility</td>
<td>Verification of income, assets and credit rating and check on prior tenancy history, often for each property</td>
<td>Verification of income, assets and other factors and check on prior tenancy history for all properties</td>
<td>Verification of income, assets and other factors and check on prior tenancy history for all properties</td>
<td>One point for assessment of eligibility – could include assessment against criteria of different providers OR a common eligibility policy</td>
</tr>
<tr>
<td>Assessment and referral</td>
<td>Informal assessment based on owner preferences, e.g. ‘not suitable for children’</td>
<td>Identification of potential needs for support, e.g. mental illness, debt levels</td>
<td>Assessment against specific requirements, e.g. willingness to participate in management, and potential needs for support, e.g. mental illness, debt levels</td>
<td>Common assessment tool for all relevant housing providers and may extend to other agencies, e.g. homelessness, family violence</td>
</tr>
<tr>
<td>Prioritisation system (order of access to housing)</td>
<td>Assessed individually for each property</td>
<td>Ranking of all applicants according to ‘housing need’, based on established state-wide criteria</td>
<td>Ranking of all applicants according to ‘housing need’, based on agency-specific criteria</td>
<td>One point for ranking of applicants – could include assessment against policies of different providers OR common prioritisation policy</td>
</tr>
<tr>
<td>A Specific component</td>
<td>B Private rental (market access)</td>
<td>C Public housing (administrative systems)</td>
<td>D Community housing (administrative systems)</td>
<td>E Options for reform: Social housing (mixed model)</td>
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<td>----------------------</td>
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<td>-------------------------------------------</td>
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</tr>
<tr>
<td>Wait list management</td>
<td>N/a</td>
<td>Managed by public housing agency</td>
<td>Managed separately by each agency</td>
<td>Common database of housing applicants across some or all providers – can be managed by single administrator or decentralised to providers</td>
</tr>
<tr>
<td>Household trade-offs</td>
<td>Households trade off price (rent level) against type, size, quality and location of housing they want. Capacity to do this depends on household circumstances and income</td>
<td>Households trade off anticipated waiting time against type, size, quality and location of housing, but not its price. Capacity to do this depends on household circumstances and urgency of ‘housing need’</td>
<td>Households trade off anticipated waiting time against type, size, quality and location of housing, but not its price. Capacity to do this depends on household circumstances and urgency of ‘housing need’</td>
<td>Provision of sufficient information, e.g. on matching criteria, estimated wait times to enable informed trade-offs</td>
</tr>
<tr>
<td>Matching households and properties</td>
<td>Household decides which properties it wishes to bid for – many bids possible</td>
<td>Detailed criteria determine type/size of housing to be offered – very limited offers and refusals</td>
<td>Detailed criteria determine type/size of housing to be offered – very limited offers and refusals</td>
<td>Choice-based systems in which households can bid for specific properties</td>
</tr>
<tr>
<td>Consideration of neighbourhood impact</td>
<td>Limited</td>
<td>Varies – some local discretion</td>
<td>Typically local discretion as most community housing is locality based</td>
<td>Explicit system for approving, implementing and monitoring local allocations policies for designated areas</td>
</tr>
<tr>
<td>Responsiveness to local submarkets</td>
<td>Households can choose between submarkets, subject to budget constraints and availability</td>
<td>Varies – but limited local discretion in adjusting allocation principles to the specifics of local submarkets</td>
<td>As most community housing is locality based, allocations reflect specifics of local submarkets</td>
<td>Explicit system for approving, administering and monitoring allocations policies in a way which is sensitive to local submarkets</td>
</tr>
</tbody>
</table>

Source: Adapted from Hulse and Burke (2005: 74, Table 8.1)
The project employed a methodology which was interactive and aimed at learning from experiences of developing, implementing and managing reforms to improve access to social housing in Australia, the UK (England and Scotland) and Canada (Ontario and British Columbia). The Final Report is designed to maximise opportunities for learning in terms of strategy, policy development and practice, and comprises three parts:

- Part A (Chapters 2-8) identifies policy paradigms for considering access to social housing, outlines the research methodology, and provides an overview of policies and reforms to improve access to social housing and their outcomes, including relevant considerations for policy makers interested in transferring these ideas into an Australian context;

- Part B (Chapters 9-10) provides detailed findings on the development, implementation and operation of two types of reforms to improve access to social housing – common housing registers and choice-based lettings – which address questions raised by Australian policy makers and practitioners during our research;

- Part C (in a separate accompanying document) is a resource kit that captures the main learning from the project and provides a practical tool to assist those involved in social housing policy and practice in reviewing or developing allocations systems.

Importantly, all parts of the Final Report are not intended to be prescriptive. They provide a framework which policy makers and practitioners in the sector can use to consider reforms to allocations systems, and a wealth of information from Australia and overseas about the design, implementation, operation and outcomes of attempts to reform access to social housing, which should be helpful in policy discussions. Specific changes to allocations systems will, in practice, reflect many factors, including national and state/territory policies, institutional settings, the history and configuration of social housing in individual places and jurisdictions, and demand and supply in particular housing submarkets.
PART A

2 POLICY PARADIGMS

In the Positioning Paper for this project (Hulse et al. 2006: 3-7), we identified four key areas of policy development aimed at improving access to social housing in Australia: common assessment frameworks to enable better matching between household needs and various types of social housing and support services; common housing registers to ensure more efficient and streamlined access to longer-term social housing; local allocations policies to support more sustainable neighbourhoods; and choice-based allocations to improve information and choice for households. Policy development on matching client needs to services to make best use of scarce resources, coordination of access to services, sustainable neighbourhoods and improving household choice are not confined to social housing; these are important areas in terms of public policy more generally. In this chapter, we locate our research into options for improving access to social housing within the broader context of public policy, using four key policy concepts: service rationing, service integration, place management and consumer choice, as illustrated in Table 2.

Table 2: Policy paradigms, policy concepts and reform initiatives in social housing

<table>
<thead>
<tr>
<th>Policy paradigm</th>
<th>Policy concepts</th>
<th>Reform initiatives in Australia and overseas</th>
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<tbody>
<tr>
<td>Welfare service delivery</td>
<td>Service rationing, Service integration</td>
<td>Eligibility changes, prioritisation systems (e.g. segments), variable tenure, rent increases</td>
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<td>Common assessment frameworks</td>
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<td>Common housing registers</td>
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<tr>
<td>Sustainable communities</td>
<td>Place management, community strengthening</td>
<td>Local allocations policies and plans</td>
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<tr>
<td>Consumer choice in public services</td>
<td>Consumer choice and responsibility</td>
<td>Choice of provider</td>
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<td>Choice of accommodation (choice-based lettings systems)</td>
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2.1 Service rationing

Social housing in Australia is a scarce resource, built up over more than 60 years. In comparison with many European countries, although similar to New Zealand and Canada, it is a small sector (Hulse 2003). At any one time, approximately 400,000 households or just over 5 per cent of all Australian households live in social housing.\(^2\)

\(^2\) Policy concept refers to an idea or set of ideas in public policy debates that indicate(s) the aims of, and rationale for, certain government policies. Policy concepts thus differ from analytical concepts in use in academic debates that seek to explain social, political and economic changes (Arthurson and Jacobs 2003).

\(^3\) In June 2004, the Australian Institute of Health and Welfare (2005: 289, Figure 6.5) estimated that there were 336,225 households living in public housing funded under the Commonwealth-State Housing Agreement (CSHA), 12,219 households in CSHA Aboriginal rental housing, and
The sector offers them substantial benefits, notably, by enabling most to move out of ‘housing stress’, defined as households with incomes in the lowest two quintiles (lowest 40 per cent) paying more than 30 per cent of income in housing costs (Australian Institute of Health and Welfare 2005: 276, Table 6.2). There are also a range of other potential benefits, such as relative security of tenure and housing adapted for older people and people with disabilities, as well as potential costs, such as limited choice of housing type, size and location, and difficulty in moving to other accommodation once in social housing.

Demand for social housing is, not surprisingly, high. The wait list for public housing in Australia, which comprises approximately 90 per cent of the sector and for which the most reliable data are available, contained 203,905 households in June 2005 but only 27,776 ‘new’ households were allocated public housing in 2004-05 (Steering Committee for the Review of Government Service Provision 2006: Table 16A1). In other words, at current rates, fewer than 14 per cent of households on public housing wait lists can be allocated housing in a year. The scale of this demand is highlighted by comparison with New Zealand where in June 2005 there were 11,458 on the wait list, compared to a turnover of 10,093 applicants (Housing New Zealand Corporation 2005: 19, 21), indicating that 88 per cent of the wait list could be cleared in a year.

States and territories have responded to persistently high demand in the face of fewer units available for allocation by targeting allocations of public housing to households who have the most pressing and/or complex needs, although there is some variation in both the extent of targeting and the means of achieving this. In general, priority in access is given to those who are homeless, people living with a disability or mental health issues, people escaping domestic violence, and Indigenous households.

Previous work for AHURI outlined how states and territories have adapted their allocations systems to enable tighter targeting (Hulse and Burke 2005: 42-8). This work also investigated the perspectives of practitioners within the sector who, whilst viewing tighter targeting as an understandable policy response to excess of demand over supply were concerned about the sustainability of tenancies for people housed in these circumstances and the implications for local communities with concentrations of public housing, as well as concern for other low income households who may never be able to access public housing under highly targeted systems (Hulse and Burke 2005: 39-59).

Since the previous AHURI report, there have been a number of changes made to applications/allocations systems in social housing across Australia, of which the most significant have been in New South Wales and Queensland. New South Wales has embarked on a new allocations system characterised by further targeting and the adoption of bands to create different queues so that those with greatest need get housed first. This has been accompanied by other changes, such as rent increases and tenancies of varying lengths (periodic tenancies) to restrict demand (New South Wales Department of Housing 2005). Queensland is implementing a ‘One Social Housing System’ which has a broad range of reforms including a ‘register of need’ for all social housing assistance, replacing separate wait lists for public, community and

26,753 households in CSHA mainstream community housing. In addition, there were an estimated 21,717 dwellings (not households) of Indigenous community housing of various types. These figures do not include households living in CSHA crisis accommodation for which data are unreliable.

The 27,776 allocations to households in 2004-05 compare with more than 53,100 allocations in 1989-90, a 48 per cent reduction. This decrease can be attributed to a slowly declining public housing stock and fewer vacated units available for reallocation (Housing Assistance Act 1996: Annual Reports, various years).
Indigenous housing, a common assessment process to match household need with type of housing assistance, consistent eligibility for longer-term housing programs, a prioritisation system based on priority segments, and tenure arrangements which vary according to assessed ‘household need’ (Queensland Department of Housing 2005, 2006a, 2006b).

In other parts of the social housing sector, particularly community housing, there has always been a strategic focus on targeting, as the rationale for most providers becoming involved in social housing was to meet the needs of some groups that historically had been bypassed by the public system or for whom the public system was inappropriate. Moreover, the sector, given its more diffuse roles, such as emergency, short-term, medium-term as well as long-term housing, has evolved specific allocations systems for each agency and sometimes for each of these roles within an agency. In general, practitioners in community housing consider that the allocations system in their agency works well (Hulse and Burke 2005: ch. 5).

This emphasis on targeting of a scarce resource to those who most need assistance in all sectors of social housing has meant a rethinking of some key questions: who should be eligible to access social housing (and who should not); how is priority of access determined; and who gets which type of housing (according to criteria such as accommodation type and size, quality), where this housing is located, and under what terms and conditions is it offered (e.g. rent levels and length of lease). A framework for addressing these questions already exists in the literature on rationing across broad areas of health and welfare (e.g. Foster 1983).

In this literature, reference is often made to Judge’s (1978) distinction between financial rationing and service rationing. Financial rationing refers to how financial resources are allocated between competing demands and includes a reduction in, or redirection of, resources. There is a well-documented and long-term decline in funding for social housing in real terms under the Commonwealth-State Housing Agreement (CSHA) and a shift to increased investment in non-government-managed social housing (Hall and Berry 2004). Service rationing is a consequence of financial rationing and is about using resources efficiently and effectively. In this context it refers to both formal rationing, such as policies and procedures, and informal rationing, such as encouraging/discouraging applications (see also Burke and Hulse 2003: 10). Services can be rationed in two main ways: through restriction of supply and through restriction of demand (Scrivens 1980). The former involves restricting access to service and in the Australian social housing context would include filtering (needs-based assessment), delay (wait lists) and dilution of service (less service to households not ranked as high priority). Restriction of demand in this context includes limiting access to service through restrictive eligibility criteria (e.g. not accepting applications from people without full citizenship rights or those living interstate), charging or charging more for services (rent increases) and deterrence (penalties for refusal of offers).

It is important to note that targeting, which is used as a ‘taken for granted’ concept in the social housing sector, is a form of service rationing that operates through supply restriction (Spicker 2005). Our discussions of possible options to improve access to social housing in this report should be seen in the context of pressures for service rationing more generally, consequent upon increased rationing of funding for social housing.

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5 Data on other parts of the social housing sector are currently less reliable than for public housing.
2.2 Service integration

Whilst nine in ten social housing dwellings are owned and managed by state and territory public housing agencies, a gradual decline in public housing stock has been offset in part by growth in other types of social housing: accommodation for Indigenous people, community housing and new models of ‘affordable housing’ (Milligan et al. 2004). The effect of this has been an increase in options within the social housing sector, in particular, type of assistance provided (short-term crisis accommodation, various types of transitional and supported housing through to longer-term housing), and greater diversity in financing, ownership and management. In other words, we have seen a move away from a ‘one size fits all’ model on both these dimensions. Under current allocations systems in social housing in Australia, households must apply separately for each type of service and to each provider.

Australian, state and territory governments have been primarily concerned with service rationing in public housing, as indicated above, but are currently also considering integration of access to public housing with access to other types of Indigenous, community and affordable housing. The targeting of social housing to those with the most urgent and complex needs has also raised questions about overlaps with the client group of services for homeless people, which traditionally have been seen as a distinct sector of social housing.\(^6\) In other words, the social housing sector in Australia is moving towards a more explicit multi-provider and multi-service system in which applications via each provider or service may no longer be appropriate. In such a system, it may be difficult for households to find out about what is available and to determine their preferences, providers may duplicate each others’ work leading to inefficiency and unnecessary costs, and fragmentation and lack of information may make it increasingly difficult to develop the sector in a coherent and strategic manner. The relationships between housing providers and between types of housing assistance vary from jurisdiction to jurisdiction but, for simplification, Figure 1 represents the broad pattern of entry points into social housing.

The extent of service integration under discussion varies between jurisdictions and sometimes between sub-sectors of social housing. For example, discussions have included horizontal service integration between community housing providers (e.g. South Australia) or between public and community housing sectors (e.g. Queensland), as well as vertical integration between different types of housing assistance such as crisis accommodation, transitional accommodation, supported housing and longer-term ‘independent’ housing (e.g. Victoria, South Australia).

Most jurisdictions are discussing or developing common housing registers which aim at horizontal service integration in a multi-provider social housing system. Definitions of such registers vary, as we shall see, but they basically address the ‘front end’ of allocations systems such that a group of providers have a common application form, a single point of registration, and a common database to draw on in making allocations. South Australia and Victoria are also working on vertical service integration through the development of a common assessment framework and an agreed set of tools to be used at various entry points to identify housing and any support needs.

Whilst consideration of the implications of multiple providers and multiple service types is relatively new in social housing in Australia, it can be located in the context of

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\(^6\) Separation of policy development, service provision and research on homelessness in Australia from that of social housing derives from dual funding mechanisms established in the 1970s when the Australian government began funding homelessness services directly, bypassing the states and territories, but continued to negotiate funding and administrative arrangements for social housing with the states and territories through successive CSHAs.
an extensive literature and debate about linking households to services in human services more generally. In areas such as health and community services, this has centred on better coordination within and between service agencies, co-location of services ('one stop shops') and restructuring of models of service provision. Much of the debate in social housing could be described as 'service integration', defined by Weiss (1981) as those functions and activities that aim at a unified and comprehensive range of services in a geographic area. It seeks to reduce fragmentation, thereby decreasing duplication and reducing costs, and to ensure a better match between households and services, thereby increasing effectiveness.

Figure 1: Entry points into the Australian social housing system

Service integration is not without its critics. It derives from an organisational rather than a household perspective (King and Meyer 2006). There may be many practical barriers to achieving service integration, such as incompatible information and communication technology systems, or organisations which have different goals and values (Hasset and Austin 1997). There are risks to households in passing on confidential information and in loss of control over decisions. Diverse and fragmented services may be sensitive to individual and community differences and stimulate innovation, whilst tight service integration can pose barriers and exclude some households (O’Looney 1997). Our research into common housing registers is thus an examination of one possible means of increasing service integration and is located in the context of these broader debates.
2.3 Place management

A third and related concept that is relevant to our research into options for improving access to social housing is place management. This is based on an analysis that sees the way in which government is organised and delivers services as problematic (Walsh 2001). According to this analysis, government services are provided in ‘silos’ (mental health services, disability support services, social housing, homelessness services, etc.), not only making it difficult for households to get the ‘package of services’ they require but also making it improbable that optimal allocation of public resources is achieved at the local level (Latham 1998: 214). In social housing allocations, service rationing has implications for place because housing has a physical entity, being attached to a block of land. Thus targeting social housing to those with the highest needs as a means of service rationing may have the effect of developing concentrations of the most disadvantaged households in one building, estate or neighbourhood, which may create problems for housing managers such as anti-social behaviour and neighbourhood complaints. It may also make other policies, for example, local economic development or community health, more difficult to achieve. Whilst there has been no systematic evaluation of the effects of targeting, such problems have been highlighted in consultations around neighbourhood and community renewal programs since the late 1990s. To the extent that these programs are funded by public housing agencies, there is also a concern that the financial, organisational and community investment in them could be jeopardised without some control over local allocations.

From this perspective, options to improve access to social housing or to ensure the sustainability of social housing estates or developments would consider which types of households are able to access housing in specific local areas. This is typically done through local allocations policies/practices involving local solutions to these local problems and are broadly of two types: those that open up access to a broader range of people, for example, in low demand areas; and those that seek to restrict access by some people or groups of people to social housing in a building, estate or neighbourhood, to generate increased social mix.

There has been some interest in Australia in local allocations policies and plans which might be geared to providing 'less stressed' local neighbourhoods, for example, with a greater range of household types and incomes, or giving priority to those who have connections with the local area. In the US, local public housing agencies have redeveloped tracts of housing, which they have allocated to households with a mix of income levels (Popkin et al. 2004). Research for the Housing Corporation in England found that just over half of housing associations had some form of local allocations scheme. Their most common objectives were promotion of balanced communities and sustainable tenancies, response to low demand, promotion of tenant satisfaction, and exclusion of potentially disruptive tenants (Pawson and Mullins 2003: 28).

In Australia, issues of place management may also arise from the relationship of social housing with the private market. Thus areas of very high cost private market housing such as resource development or ‘sea change’ boom towns may exclude local populations or key workers from affordable housing access and place substantial pressures on the social housing stock.

Place management as a policy concept is located within a more general debate about new forms of governance, often called new urban governance (e.g. Keil 2006), in which policies and programs in one area such as social housing are developed and implemented within a ‘whole of government’ perspective focusing on place and which pays regard to local context and involvement rather than ‘top down’ solutions. Its
significance in terms of improving access to social housing is in drawing attention to
the potential contribution that changes in allocations can make to place and in
particular to the composition of local neighbourhoods in terms of age, stage in life
course, household composition, household income and attachment to local area. The
dilemma for government is that, in so doing, they may risk breaching legislative
requirements in terms of equal opportunity in the delivery of services, as well as other
important principles of public policy such as consumer choice.

2.4 Consumer choice

Whilst most Australians are well housed, almost 9 per cent of all ‘income units’, 7 or
1.7 million people, remain in housing stress as defined earlier. Two-thirds of these live
in the private rental sector and a further quarter are paying off their home with a
mortgage (Harding et al. 2004). Whilst demand for social housing is high, as
measured by wait lists, by no means all households in housing stress apply to enter
(Burke et al. 2004: 10-12). This may because demand is ‘choked off’ by service
rationing, difficulty in access due to poor service integration, or it may reflect different
decisions that households in apparently similar circumstances may make about their
housing. Housing preferences and decisions may also be affected by lack of
knowledge of options available, as indicated in recent research which found that 82
per cent of public housing applicants were unaware of the existence of various types
of community housing (Burke et al. 2004: 11).

Household choice is rarely considered as a factor in allocations systems in social
housing in Australia; typically, households are seen as potential clients trying to
access services via an administrative rationing system in a situation of considerable
scarcity. Indeed, a corollary of rationing has been an explicit or implicit reduction in the
scope for household choice, for example, in stating a preference for a particular
location (Hulse and Burke 2005). This way of thinking about access to social housing
contrasts sharply with ideas about access to private housing in which we normally
recognise that households are able to exercise choice in the face of price signals.
Home purchasers and private renters have only limited capacity to negotiate on price,
except in times of dramatic economic downturns, but can make trade-offs about the
type, size, quality and location of housing that reflect their inability to influence price.

In practice, we know little about the attitudes and preferences of low income
households in terms of their housing, the factors that they take into account in making
decisions, and the strategies that they adopt for dealing with both opportunities and
the considerable constraints on their choices due to lack of income, health and
disability status and other factors. 8 For the most part, households applying for, or
allocated, social housing are regarded as fairly passive recipients of ‘welfare’,
whereas they may have various means available to them to exercise some choice,
even if this is a negative one, as in not accepting offers of social housing. Recent
research for AHURI provides some indications of the attitudes and preferences of low
income households, finding that, although there are considerable constraints, they do
try to make their own trade-offs. Some decide, for example, that it is not worth
registering for social housing because they do not expect this to be a realistic option,
or they prefer to live in private rental and perhaps pay higher rent because they can
close more control over access, housing attributes and location (Burke et al. 2004).

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7 883,000 income units are in housing stress, with income unit referring to an adult(s) and any dependent
children as determined for income support purposes. Non-dependent children and other adults in the
same household are defined as separate income units.

8 See Clapham (2005: chs 1, 2) for more detailed discussion.
Whilst public policy reforms in many areas over the last two decades in Australia and elsewhere have emphasised consumer choice and the active role of households in choosing the services they want, whether this is in health insurance or utilities (e.g. Pusey 1991; Anderson et al. 2002; Perri 6 2003), these reforms have had little resonance in Australian social housing. This situation mirrors that in the UK to the late 1990s (Mullins and Pawson 2005). Since the UK government’s Green Paper on ‘Quality and Choice’ in housing in 2000, this has changed rapidly. This document was part of a modernising agenda which sought to ‘put applicants at the heart of the decision-making process’ and to redefine applicants as customers who could ‘make their own decisions on choosing housing which meets their requirements’ (Department of the Environment, Transport and the Regions 2000a: 78). It was followed by strong government support and resourcing of choice-based lettings pilots for social housing in England, based on schemes in which vacant stock was advertised as available for tenancy in the Netherlands in the 1990s (Kullberg 1997, 2002) and subsequent extension of this choice-based model of access to social housing more generally (Marsh 2004; Brown and Yates 2005). In Australia, governments have not promoted consumer choice in the social housing sector as they have in other areas of public policy, although most jurisdictions are aware of these developments. The only choice-based scheme currently in place is a pilot project in Whyalla (South Australia) in an area of low demand for social housing.

There is an emerging literature on choice in access to social housing, much of it from the UK. Some of this suggests that ways of thinking have undergone a paradigm shift from bureaucratic rationing systems viewed from the perspective of providers to choice-based lettings in which the household has a significant amount of choice (Mullins and Pawson 2005). Others question to what extent choice is a reality for vulnerable households who may lack the information and skills to behave like market consumers (Brown and Yates 2005) and, more broadly, how the stimulus of choice can be reconciled with the requirements of rationing and expenditure control (Perri 6 2003: 263). Our research investigated how introducing more choice in access to social housing could work in the context of greater service rationing.

2.5 Summary

Ideas about improving access to social housing cannot be considered in isolation. Rather, they should be located within broader public policy debates about service rationing, service integration, place management and consumer choice. These four policy concepts fall within different policy paradigms, as illustrated in Table 2, namely, a ‘welfare service delivery’ paradigm, a ‘sustainable communities’ paradigm and a ‘consumer choice in public services’ paradigm.

Each of these public policy concepts enables a different perspective and has both strengths and limitations in terms of our research. Service rationing draws attention to means of managing excess demand over supply, treating social housing as a ‘service’, but does not specifically consider the spatial dimensions of social housing nor does it encompass consumer choice. Service integration provides insights into management of the multi-sector, multi-service nature of social housing, but pays relatively little attention to households as having unique aspirations, preferences and capacity to make trade-offs about what is most appropriate for them. Place management highlights the spatial dimension of social housing and the interrelationship with other public policy areas, but neither addresses issues of service

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9 This is not to suggest that the social housing sector has not been affected by ‘new managerialism’ of which consumer choice in public services has been an integral part, for example, see Mant’s (1992) review of the New South Wales Department of Housing.
rationing nor the attitudes, decisions and actions of individual households. Consumer choice puts households at the centre of the action, as in access to other types of housing, but has to be considered in the context of pressures for service rationing and service integration. The project considered options for improving access to social housing using a framework which drew on each of these policy concepts.
3 AIMS AND RESEARCH METHODS

3.1 Project aim and research questions

The overall aim of the project was to explore and evaluate options for improving access to social housing in Australia, based on a detailed investigation of the design, development, implementation and outcomes (where available) of relevant initiatives in Australia and overseas.

The project explicitly built on a previous AHURI project (Burke and Hulse 2003; Hulse and Burke 2005) that reviewed relevant literature, detailed current allocations systems in social housing in Australia and identified three types of initiatives as meritng further investigation. These were common housing registers in use in England and Wales, Scotland and parts of Canada, choice-based lettings schemes deriving from the Netherlands but being promoted heavily in England, and local allocations policies and programs in place in various parts of the UK.

It is not the aim of the research to recommend a ‘model’ allocations system, but to inform policy makers and practitioners about possible options for improving access to social housing in their jurisdictions, the context in which these have been introduced elsewhere, and relevant issues of design, implementation and outcomes. This information should assist social housing providers in developing reforms that are appropriate and workable in their own jurisdictions.

The specific research questions were:

- What models of common housing registers have been developed and how do they work?
- What evidence is there on the advantages and disadvantages of common housing registers that have been piloted or implemented in social housing in Australia and overseas?
- What alternative means of improving the management of applications/allocations are being proposed, piloted and/or implemented, particularly choice-based allocations systems?
- What are the outcomes of choice-based allocations systems and other reforms to applications/allocations and how do these compare with those of common housing registers?
- What policy levers and institutional settings facilitate the development of common housing registers or other means of improving access to social housing?
- What other factors are relevant in determining the feasibility of common housing registers or alternative reforms to applications/allocations in social housing in Australia?

3.2 Research design and methods

A multi-stage, multi-method research design was developed for the project (see Figure 2). This had a strong interactive component, with an emphasis on consultation and discussion with a variety of stakeholders to identify key questions and discuss findings, thereby facilitating learning during the project.
Figure 2: Research stages and methods

- **Stage 1**
  - Prior AHURI project
  - Workshops (Qld, Vic)
  - Discussions with key informants (Australia)
  - Update literature

- **Stage 2**
  - Overseas field trip
  - Other research
  - Australian policy work
  - Identify key issues and questions

- **Stage 3**
  - Workshops (Qld, SA, WA)
  - Monitor policy development
  - Review and analyse field trip and other data

- **Stage 4**
  - Workshops (Qld, Vic)
  - Update literature
  - Review and analyse field trip and other data

- **Additional**
  - Discuss
  - Research
  - Review
  - Question
  - Analysis
  - Fieldwork
  - Review
  - Question
  - Question
  - Discuss
  - Review
  - Feedback
3.2.1 Stage one: Scoping and issue identification

Workshops were held in Queensland and Victoria with staff from housing agencies, and interviews undertaken with selected personnel in South Australia, Victoria and Western Australia. The purpose was to share information about common housing registers, choice-based lettings and local allocations policies and to identify issues and questions that participants wished to raise, and wanted more information on, in order to consider these three types of policy developments further.

In addition, the research team collected policy reports and documentation on attempts to set up or consider allocations reform around common wait lists, choice-based systems or local allocations policies in Australia.

The researchers also had the advantage of discussions with a former senior manager in an English housing association who was based at the Swinburne-Monash Research Centre for six months. This person was a key player in the development and implementation of a common housing register when she worked for a local authority, and then moved to the housing association where she was able to assess operation and outcomes from another perspective.

During this first stage, it became clear that the research questions were sensitive ones, particularly those concerning common housing registers. Jurisdictions were reluctant to have workshops comprising both public and community sector representatives, which in some cases reflected lingering acrimony from past failures of discussions on common housing registers, while in others it was felt that current thinking at the public housing agency level was not sufficiently advanced to facilitate full and frank discussion. Moreover, there was a fear among many in the community housing sector that common housing registers would be the ‘thin edge of the wedge’ in terms of the sector’s autonomy. Discussions with the community sector were therefore held separately from those with the public sector.

Despite these difficulties, the result of the consultation stage was an agreed list of questions and issues requiring further investigation (Appendix 1), which provided the basis for the fieldwork stage.

3.2.2 Stage two: Fieldwork

The research team undertook a detailed investigation of common housing registers in development, being piloted or implemented, as well as other initiatives to improve access to social housing, such as choice-based lettings and local allocations policies, through interviews with key informants in England, Scotland and Canada. These interviews were essential for understanding the policy and organisational context in which such initiatives were developed and implemented, as well as some of the practical issues involved.

The primary research method was face-to-face interviews with a range of key informants in a sample of locations in November and December 2005. A member of the research team, Rhonda Phillips, visited four locations in England (London, Bath, Manchester and Bolton), four in Scotland (Edinburgh, Glasgow, Perth and the Scottish Executive) and two in Canada (Toronto and Vancouver) to investigate a sample of common housing registers that are either in development or in full implementation. Details of the study sites are given in Table 5. They were chosen as a purposive sample across England, Scotland and Canada to encompass the following variables:

- Different social housing regulatory systems;

The authors wish to thank Angela Spinney, a PhD student at Sheffield Hallam University in England, for sharing her experiences and observations of common housing registers.
• A range of types of housing markets with varying demand for social housing;
• A variety of common housing register models with a diversity of features;
• A mix of capital city and other locations.

Interviews were held with a variety of people in each location, including managers and staff, as well as participating housing providers and government agencies with policy and program responsibility for their implementation. Interviewees were involved in the establishment, operation and evaluation of common housing registers, and included:

• Senior managers, middle managers and staff administering common housing registers;
• Administrators of choice-based lettings schemes;
• Chief executive officers, managers and frontline staff of participating housing providers;
• Policy and program managers from local, provincial and national governments;
• Access centre workers and client advocates.

The final sample comprised 40 face-to-face interviews and one conducted by phone (see Appendix 2 for details of interviewees).

The interviews were guided by the framework of questions evolved from interviews with key personnel and from the Queensland and Victorian workshops discussed in stage one above. The researcher took a digital voice recording of interviews for subsequent analysis.

This field trip also provided an opportunity to collect documentation that is not published or available on websites and to observe the services in operation, including the software in use.

In addition, the project commissioned a written briefing on how choice-based lettings schemes work in England from a UK academic and had the benefit of discussions with another UK academic on study leave in Australia in late 2005 who has written extensively about the topic. Other documentary material was also considered, in particular, evaluations of choice-based lettings schemes in the UK.

3.2.3 Stage three: Analysis, presentation of findings, discussion and further investigations

Information collected from the fieldwork was analysed in terms of the questions and issues determined in stage one and within the designated framework of analysis as outlined in the Positioning Paper for the project. The key findings were presented in a series of workshops in Queensland, South Australia and Western Australia to elicit responses, identify sources of agreement or disagreement, and suggest areas for further investigation. The approach in these workshops was to provide an overview of the key findings from the study tour and to offer an opportunity for participants to discuss the implications for the relevant jurisdictions and agencies. The workshops also prompted participants to provide information that had not been elicited in stage one of the project. Follow-up investigations of specific questions were undertaken by phone and e-mail as necessary.

11 The authors are grateful to Michael Jones of the Centre for Housing and Planning Research, Department of Land Economy, University of Cambridge for his briefing notes.
12 The authors are also very appreciative of time spent with Hal Pawson of Heriot Watt University in Edinburgh, Scotland for his insights into choice-based lettings and for access to conference papers and other material.
3.2.4 Stage four: Reporting and resource kit

The research team prepared this Final Report in three parts, as indicated in the Introduction, to inform strategic planning and policy making (Part A), to give a detailed consideration of common housing registers and choice-based lettings (Part B) and to provide a practical resource for those designing or redesigning allocations systems in social housing (Part C).

This form of reporting was developed given the emphasis in the project on learning and on transmission of evidence-based findings to stakeholders in a practical and relevant manner.
4 COMMON HOUSING REGISTERS: AN OVERVIEW

In this chapter we provide a brief overview of common housing register models in Australia and overseas and summarise some of their advantages and disadvantages as a means of improving access to social housing. The chapter is based primarily on interview and documentary data collected during the field study visits in stage two of the research and the workshops in four Australian states in stages one and three. Discussion of the legal, policy and organisational context in which common housing registers are located, and implications for Australia, follows in Chapter 7.

4.1 What are common housing registers?

There is no one model of a common housing register, but basically the concept refers to two or more social housing providers working together to ‘create a single route through which all those seeking social housing can apply; a single database of applicant details; and coordinated housing information and advice provision’ (Scottish Executive 2006: 1).

Common housing registers are largely a response to concerns about fragmented service delivery and the inefficiencies associated with the move from single large public housing providers to diversified multi-provider social housing systems in countries such as the UK, Canada and Australia. They are thus a means of enabling service integration where there are multiple providers of longer-term social housing and of streamlining access for households to this housing.

4.2 Common housing registers in the overseas study sites

Common housing registers in England are well established and provide an opportunity to examine a mature system. Initially they tend to be driven by local authorities but involve a range of not-for-profit providers. Although voluntary in nature, they operate within an established legislative and regulatory framework, which we discuss further in Chapter 7. The emergence of choice-based letting systems over the past five years in England is closely associated with common housing registers, and this feature of their development was also a focus of the research.

Common housing registers have been promoted by the Scottish Executive since 2001. Implementation has been underpinned by regulation, which makes them mandatory, but this has not been invoked to date. Participation has been voluntary, but development and implementation have been encouraged and resourced by the Scottish Executive.

In Canada, the city of Toronto was of particular interest because the province of Ontario (in which Toronto is located) has made common housing registers mandatory. Mandatory elements also go beyond the three core elements and include common eligibility criteria and prioritisation of applications and common occupancy standards for allocating households to vacant properties. The province of British Columbia was also of interest because it is the only province-wide system included and therefore of potential relevance for Australia. There is limited literature available on the Canadian experience, so the study was able to collect valuable data on the development, implementation and operation of these models.

Part B of this report provides a brief summary of the common housing register models in the study sites in England, Scotland and Canada, as well as detailed findings about the development, implementation and operation of common housing registers (and choice-based lettings) from 41 in-depth interviews with people in the study sites. These findings specifically respond to the questions/issues raised by policy makers.
and practitioners in the workshops in stages one and three of the project. Here we summarise some of the key findings from the overseas study sites.

4.2.1 Scope

- Common housing registers in the sites visited generally only provide access to longer-term social rental housing.

- None of the common housing registers in the study sites manage applications for crisis accommodation. However, there are generally strong links between the homelessness units in local authorities in the UK and common housing registers, such that homeless people are entered on the register and often given priority in access to social housing, based on established prioritisation systems. Homelessness services in Canada tend to operate separately from common housing registers.

- Specialist and supported housing providers may participate but there are special procedures to ensure that this accommodation is allocated to people with appropriate needs, e.g. person with a disability for a modified dwelling.

- Some participating organisations, particularly larger regional and national registered social landlords (RSLs), keep a separate wait list which they use for allocating some stock.¹⁴

- Common housing registers generally include only subsidised accommodation. Accommodation let by Canadian providers at market rates is allocated through separate processes.

- In Toronto, federally funded Indigenous providers are not required to participate in the common housing register, but those funded by the provinces and local authorities are required to participate.

4.2.2 Participation

- The number of participants in the study sites varied from three (Royston, Glasgow) to 185 (Housing Connections, Toronto). Most schemes in England are based on local authority areas and involve 15 to 25 providers.

- Providers have different levels of participation, ranging from major involvement (e.g. participation in governance structures, providing an access point, and entering and verifying information online) to less intensive involvement (e.g. using the register to generate a short list of applicants for a vacancy).

4.2.3 Operations

- Clear, coordinated and accessible information about social housing options and how to apply is essential to the success of common housing registers, not only conventional written material but through other means including face to face

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¹³ Registered social landlords (RSLs) in Scotland are defined as ‘independent housing organisations registered with Communities Scotland under the Housing (Scotland) Act 2001’. Registered social landlords in England are defined as ‘independent housing organisations registered with the Housing Corporation under the Housing Act 1996’. Communities Scotland and the Housing Corporation maintain a public register of RSLs. Many are housing associations but other types of organisations may also be registered, including housing cooperatives, almshouses, Abbeyfield houses and some hostels. See <http://www.esystems.comunitiesscotland.gov.uk/register/reg_pub_dsp.home> and <http://www.esystems.comunitiesscotland.gov.uk/register/reg_pub_dsp.home>.

¹⁴ This finding corresponds with that of an earlier study which found that regional and national RSLs often kept wait lists for the same area as the common housing register, mainly for transfer applicants, applicants with medical and support needs, and for specialist accommodation. The register operator was not always aware that this was happening (Craigforth 2002: 5, 33).
services, passive and interactive web-based information, phone helplines and call centres.

- Participating providers must agree on a common application form. Often these are initially too long and unwieldy, and are streamlined over time.
- Eligibility generally comprises system-wide criteria supplemented with provider-specific criteria.
- Verification and activation of application and wait list management are often decentralised initially, but there are tendencies towards centralisation over time as these functions require specific knowledge of policies and expertise in the use of information technology systems.
- Management of applications on the common housing register is undertaken by the register administrator, although in some cases partner organisations have access to the system and can update information.
- Whilst initially providers strongly assert the right to use their own prioritisation policies and match vacant properties with applicants, this is done within legislative and statutory guidance and local policies in the voluntary systems in the UK. There is some tendency towards increased commonality over time and a strong tendency for providers to find ways of influencing allocations outcomes through the matching process, even within common prioritisation systems. In Toronto, all providers must allocate from the mandated provincial priorities list first and then the city of Toronto priorities.
- Clear policies and protocols about client privacy and appeals processes are an integral part of common housing register operations.

4.2.4 Implementation

- Governance arrangements vary considerably and include: local authority controlled schemes (Bath, Manchester, Edinburgh, and Perth and Kinross), provincial government control (British Columbia), not-for-profit housing provider managed (Royston and Glasgow), and stand-alone companies (Bolton and Toronto, and also Home Connections in London which only manages choice-based lettings).
- In most UK schemes, development costs were met by local authorities, generally supported by a significant funding contribution from the national government. Development costs in the Canadian sites were also met by government (city of Toronto and province of British Columbia).
- Operational costs are either met by the relevant government agency or split amongst the partners on a pro rata basis according to the number of housing units managed or some other criterion.
- The information technology systems vary in complexity, technological sophistication and the sort of platforms they were built on. They need to be flexible and easily modified, especially to adjust to changes in policy and in reporting and auditing requirements.
- Initial merging of wait lists can be difficult and cause confusion for applicants.
- The timeframes and processes for initial implementation varied considerably. Most of the UK schemes spent between eighteen months and two years in attempts to build relationships and reach consensus amongst the partners about key policies, processes and the content of partnership agreements.
- Another implementation issue is that of naming rights, which embraces the situation where governments have negotiated a proportion of vacancies
(nominated vacancies) for a partner organisation that may have donated land or other resources. In the Australian context, the equivalent would be where local governments in the 1980s donated land for public housing projects with some nomination rights. How are these to fit into a common register?

4.3 Reflections on the implications of findings from the study sites for the Australian policy context

Apart from the specific findings from the overseas study sites about the development, implementation and operation of common housing registers, we reflect below on some of the broader issues raised by the research findings which might inform the Australian policy context.

Firstly, there is no one model or template for a common housing register. Those in the study sites varied across a number of dimensions, in particular, the scope of the register and the number and range of participating providers, the extent of centralisation or decentralisation, the range of prioritisation methods and allocations policies, and types of technology and levels of sophistication. It is not possible to take a model from another country and use it in an Australian context without working through some of these issues.

Secondly, with the exception of Ontario, the design, development and implementation of common housing registers is essentially voluntary and involves negotiation between government and not-for-profit partners. In Scotland, they can be made compulsory, but the approach to date has been to rely on voluntary development and implementation. Mandatory common housing registers may be implemented more quickly but run the risk, especially when associated with uniform prioritisation and allocations (matching) policies, that providers will be unable to maintain innovative service models that meet diverse needs in an appropriate and sensitive manner.

Thirdly, common housing registers are generally customised for the context in which they operate. Partners hold detailed negotiations about the extent and type of collaboration as well issues of governance and resourcing, if implementation is to proceed smoothly. In this process, differences in perspective amongst participating providers and differences in policy and practices emerge and must be worked through. Our findings correspond with the views of the Scottish Executive (2004: 35):

Successful CHRs [common housing registers] – in development and implementation – are based on effective partnerships. The key output of a good partnership is efficient joint working and good decision making. This must be underpinned by trust, willingness to work differently, and ability to compromise and achieve consensus.

Fourthly, common housing registers in the study sites are primarily a means of providing access to longer-term social housing and are not as ambitious in scope as some schemes under discussion or under development in Australia, discussed below.

Fifthly, the geographic area for common housing registers in the study sites is typically a local authority area, with the exception of the province of British Columbia. This is because local authorities have been the traditional level of delivery of social housing in England and Scotland, even though they vary significantly in terms of population, social housing stock and geographic size. However, local authority areas do not necessarily correspond with housing submarkets, and the emphasis on local authority boundaries can cause problems for RSLs that operate at a regional or even national level, covering several or many local government areas (Craigforth 2002). Ideas for addressing this have included greater consistency between common housing...
registers and consideration of cross-boundary or ‘regional’ registers where this is warranted (Scottish Executive 2002).

Sixthly, common housing registers require significant resourcing for both implementation and ongoing operation, which was provided by governments, particularly at the implementation stage. Resources included financial support, assistance with information technology, staff and staff training, and with practical issues such as merging wait lists. Common housing registers must be adequately resourced and supported, particularly during development and implementation.

Lastly, the project found that whilst there are many issues to be negotiated in implementing a common housing register with the three core functions, the most contentious issues stem from a fear by not-for-profit providers of longer-term social housing that they will lose their ability to retain their eligibility criteria, prioritise applicants, and make offers of accommodation according to their own allocations policies and priorities. In fact, the information technology systems on which common housing registers depend, in particular, web-based information technology virtual networks, can facilitate networking and the decentralisation of services. They provide an opportunity to avoid highly centralised and uniform approaches. The Scottish Executive has stated explicitly that it does not support the development of common prioritisation and allocations policies (Craigforth 2002).

In summary, Table 3 indicates the core functions of common housing registers identified in the overseas study sites: coordinated housing information and advice, a common application route usually involving a common application form, and a single database of applicant details. It also indicates additional options for extending common working to other functions of applications/allocations: common eligibility assessment, a common system for prioritising applications, common wait list management and common allocations policies and practices. If all options were adopted, this goes beyond a common housing register and could be termed a common social housing system. Details on how these different functions operate are discussed in later parts of this report.

Table 3: Functions of common housing registers and common social housing systems

<table>
<thead>
<tr>
<th>Functions</th>
<th>Common housing register</th>
<th>Common social housing system: additional options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information about social housing options</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Application route</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Registration of applications (database)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Assessment of eligibility</td>
<td>No</td>
<td>Option: common eligibility criteria for participating providers (with additional provider-specific eligibility if required)</td>
</tr>
<tr>
<td>Prioritising applications</td>
<td>No</td>
<td>Option: common system for prioritising applications (e.g. date order plus priority, segments/bands, priority points) across providers</td>
</tr>
<tr>
<td>Wait list management</td>
<td>Part</td>
<td>Wait list management (e.g. dealing with changes in circumstances/preferences) is generally part of the common housing register to ensure data integrity; who does what and who has access to change information varies</td>
</tr>
<tr>
<td>Functions</td>
<td>Common housing register</td>
<td>Common social housing system: additional options</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>Allocating households to vacant properties</td>
<td>No</td>
<td>Option: common policies and procedures for allocating properties to households, or a variety of policies specific to each partner, with partners agreeing to offer to the highest rated applicant</td>
</tr>
</tbody>
</table>
4.4 Policy development on common housing registers in Australia

Applications/allocations in Australia have traditionally been embedded in a social housing system in which state and territory housing authorities were the dominant providers, complemented by a fragmented community sector comprising many very small-scale providers. This is analogous to the situation that existed in the UK until the late 1980s, but unlike in Canada where public housing has comprised only one-third of social housing since the mid-1980s. In consequence, each provider has its own system for receiving and assessing applications, managing wait lists and allocating accommodation (Hulse and Burke 2005).

The social housing landscape in Australia is now changing. We are seeing the emergence of different models of provision, such as larger housing associations and different types and combinations of partnerships between the public, private and not-for-profit sectors. At the same time, the range of social housing ‘products’ or services has increased to include different types of crisis, transitional, medium-term and longer-term housing. Recent moves towards periodic tenancies of varying lengths in both New South Wales and Queensland are further examples of this redirection away from a ‘one size fits all’ system of longer-term public housing.

There are advantages for providers in having their own applications/allocations system, such as sensitivity to specific client needs and appropriateness to local conditions (Hulse and Burke 2005: 60). More diversity in models of provision and in products/services, however, reflects service rationing due to reduced funding for social housing as well as a desire for appropriate and location-specific services. Diversity allied with each provider having its own separate applications/allocations systems poses a number of challenges. For households, it is difficult to find out about options available, and onerous to have to apply separately to each provider. For providers, multiple listing creates inefficiencies in wait list management and in reletting vacant properties. For the sector overall, it is difficult to gauge demand for social housing of different types. In these circumstances, common housing registers have attracted the interest of those working in government and the not-for-profit sector as a means of streamlining access for households, creating efficiencies for providers, and developing the social housing sector.

Interest in common housing registers also responds to a more practical problem of declining resources; governments still have long wait lists for public housing, but there is static or declining stock and a much lower level of vacant accommodation available for housing people from the wait list than 15 years ago. There is currently no mechanism for enabling applicants on public housing wait lists to access accommodation in the growing community/affordable housing sector, unless they make separate application. Unlike in the UK and Canada, there are few Australian examples of ‘nomination’ arrangements whereby public housing authorities can specify that a set percentage of allocations go to applicants from their wait list. Nomination arrangements are not dependent on implementation of a common housing register, although this may make the nomination process more efficient and enable monitoring of outcomes.

In previous work (Hulse and Burke 2005: 72-4) we summarised policy development in Australian jurisdictions on common housing registers. Here we report on significant developments that have occurred in the past eighteen months.

4.4.1 New South Wales

The New South Wales Department of Housing had proposed on more than one occasion a social housing register encompassing both the public and community
housing sectors (Nada Spasojevic and Associates 2000; New South Wales Department of Housing 2001). This was opposed by the community housing sector (1998-2001) which successfully negotiated for an alternative: a ‘common application system’, initially for housing associations. This involved a common application form and some access by providers to a common database (New South Wales Federation of Housing Associations 2000, 2002). A voluntary system was established in which applicants to participating housing associations can also register with other participating associations in area(s) nominated by the applicant. The scheme does not include all community housing providers in the state but was seen as a move in that direction.

A recent internal review of the common application system indicates that take-up is quite low, with fifteen participants from a pool of 42 prospective members, of which only ten were regular users. Participant housing associations raised a number of practical issues such as the length and complexity of the common application form, confusion by applicants who may still have to fill out multiple forms, and lack of explanation and promotion of the scheme. Non-participants identified a number of reasons for not using the system, most commonly that a housing association’s own application form suited their needs, and that the common application form was too lengthy and the process too time-consuming. The review suggests two options: either fix the problems with the current system as part of moving in the longer term towards a common community housing register for the whole sector in New South Wales, or move away from this broader direction in favour of tailored localised, regionalised or information technology based approaches (New South Wales Federation of Housing Associations 2006).

As discussed in Chapter 2, substantial changes were made to public housing policy and management in 2005 in a ‘Reshaping Public Housing’ package (New South Wales Department of Housing 2005) including fixed-term leases of varying lengths and substantial changes to eligibility and rent setting, although these did not cover other types of social housing and other housing providers. A strategic policy framework for community housing in New South Wales is currently being developed, and it is not clear at this stage what role, if any, a common housing register will play in these plans.

4.4.2 Queensland

The Queensland Department of Housing is implementing its ‘One Social Housing System’. This will include a common housing register for all public, community and Indigenous social housing in the state, but is part of a package of changes that are much more extensive, and to be implemented over a shorter time, than in the overseas study sites visited.

The One Social Housing System is a response to a range of problems identified by the state government as a result of increased demand for assistance but declining resources. These include demand for housing assistance by people with more complex needs, disjointed housing assistance provision in program ‘silos’ (with over 450 community and local government providers of housing and housing-related services receiving funding from the government to provide housing assistance of various types), difficulty in matching households with appropriate types of housing assistance, and a lack of clear pathways into and out of social housing. The projected benefits of the changes are streamlined access for clients, better matching of household need with housing assistance ‘product’ or service, and improved service integration across the social housing sector (Queensland Department of Housing 2005: 1, 5-9).

The features of the system are:
• ‘Simple’ entry points for clients to housing assistance, including all social housing;
• One ‘register of need’ to replace existing wait lists, listing all people waiting for all types of social housing;
• A commonly used process to match clients with the housing assistance that best meets their needs and to allocate clients to social housing;
• Long-term social housing for clients with the highest need;
• Consistent eligibility criteria for long-term social housing programs;
• Long-term social housing provided for the duration of need;
• Housing assistance that changes as a client’s need changes;
• Improved pathways between the One Social Housing System and the private market (Queensland Department of Housing 2005: 11, 2006b: 2).

The first elements of the system were introduced in January 2006 and the remaining reforms are being implemented progressively. A common application form for all applicants for public, community and Indigenous social housing, common eligibility criteria for all social housing, and a modified priority allocations policy for public housing have been introduced. Supplementary eligibility criteria and application tools are being considered for services that are highly specialised (Queensland Department of Housing 2006b: 11). The separate wait lists previously administered by the department for their public rental program and their Aboriginal and Torres Strait Islander housing program have been merged, and common tenancy management policies and procedures have been adopted for the two programs.

Multiple entry points have been retained, and applicants apply separately to Department of Housing area offices and individual community housing providers who also maintain separate wait lists. The common application form allows applicants to lodge copies of the same form with multiple housing providers, although some community housing providers are capturing additional information through supplementary forms and there is some confusion about the extent to which the information on the application form can be shared between public and community housing providers.

A common ‘register of need’ is being implemented to replace current wait lists managed by community and local government providers, to be managed by the Department of Housing. Details of the proposed model, including whether, or how, transitional housing, affordable housing projects and housing in discrete Indigenous communities will be included, have not yet been released.

Work is proceeding on other elements of the One Social Housing System package, such as segmented wait lists, a standardised assessment process and an applicant referral process. It is not clear whether the introduction of the new prioritisation system, i.e. priority segments, will result in further changes in the operation of the common housing register.

These changes have generated considerable discussion in Queensland, as reflected in feedback from consultations. Some of the main issues raised have been about which organisations will assess clients and allocate housing, which households will be assisted with longer-term social housing, the impact on local neighbourhoods of giving priority in housing assistance to high needs households, and ensuring the clients of various types of social housing can be connected with appropriate support (Queensland Department of Housing 2006a).

Whilst it is too early to assess any of these changes, two points can be noted. Firstly, when implemented, they go far beyond a common housing register for longer-term
social housing, which is the subject of most of the literature and which we observed in our study sites in England, Scotland and Canada.

Secondly, embedded in the package are significant policy changes that could also be introduced separately. These include:

- Targeting of all longer-term social housing to those with the highest need, replacing the ‘date order plus priority’ system by priority segments/bands;
- Identification of the role of community and local government housing programs as complementary to public housing in specialist areas of crisis and transitional housing, and housing provision to specialised target groups and to people in rural and remote areas;
- Introduction of periodic leases in longer-term social housing (Queensland Department of Housing 2006a).

4.4.3 South Australia

The former South Australian Community Housing Authority (SACHA) was developing a community housing application system prior to its incorporation into the Department for Families and Communities in mid-2006. This followed extensive consultation with community housing organisations over several years and had the following mandatory features: a standard application form and a common register of applications. The system also involved an information pack and a clearer applications process that differed between cooperatives and housing associations. Importantly, individual providers would continue to be responsible for selecting their own clients/members. They could choose to accept applications directly and maintain their own wait lists, as long as all applications received were also put on the common register, and could also allocate from their own lists, provided that the register was notified when a household was accommodated. Alternatively, they could choose to use the central register. The system would have the capacity to assess need, both as identified by the government for community housing and as required by the community housing provider (South Australian Community Housing Authority 2004, 2006). As with other common housing register projects, the consultation process involved clarifying and amending some policy areas, such as needs assessment for the sector.

Implementation has been delayed by SACHA’s incorporation into a new organisational unit within the Department for Families and Communities. Other options are now also being considered, for example, a common housing register to cover public as well as various types of community housing. Some community housing organisations, particularly housing cooperatives, are not convinced of the benefits of a common housing register, whether for community housing providers or for all longer-term social housing providers.

4.4.4 Other related jurisdictional developments: Common assessment

One of the issues raised by greater targeting of longer-term social housing, which has occurred in all Australian jurisdictions, is how to achieve better service integration, not only between different housing providers and different types of social housing, but also how to ensure a more integrated approach for people with complex needs including accommodation, support and specialist services in areas such as mental health (see Hulse et al. 2006: 24-7 for an extended discussion). Here we use as examples South Australia and Victoria, which have been grappling with this broader problem.

The South Australian government has developed a multi-agency referral form and process as part of its social inclusion action plan to ensure integrated and collaborative service responses to homeless people. This stemmed from concerns in
the Supported Accommodation Assistance Program sector about people having to relate their circumstances many times to different agencies and being unable to access housing and support services where people presented with complex needs. It is a common assessment tool to assess the needs of homeless people, or those at risk of homelessness, irrespective of which agency they originally present to. This is intended to enable a holistic assessment of need, to provide common information for agencies to which the person or household is referred, and to provide an opportunity for these agencies to provide feedback on assistance provided.

In Victoria, the Homelessness Unit located within the Office of Housing has piloted a common assessment framework, very similar to the South Australian model. The Victorian model is not only a common application form for the registration of clients presenting for homelessness services, but an overall framework that includes such variables as a priority setting, a quality framework and an assessment framework. In other words, the aim was to set the principles, objectives and priorities for the common assessment of clients.

The homelessness assessment referral framework has multiple functions, including rationalisation of service points, assessing people for the most appropriate services, addressing and removing double counting of applications, improving links between homelessness and other related services such as health, family violence and criminal justice, and risk assessment to measure the risk of people dropping out of the system.

Located within the framework is a common assessment tool for registration and referral of clients. Although its aim is to ensure consistency of registration across the homelessness sector, it could also have implications for access to social housing, as an assessment could recommend that the best course of action for the client is to be assisted into transitional or longer-term housing.

### 4.5 Summary

Common housing registers for social housing, as defined in this chapter, are a means of service integration at the ‘front end’ of the applications/allocations process, i.e. coordinated housing information and advice, a single route for applications for social housing provided by participants in the register including a common application form, a single database of applicant details, and some common wait list management functions. The developments in the New South Wales and South Australian community sectors can be seen as moves towards such a common housing register, albeit only involving community providers (or some community providers in New South Wales). Policy work in Victoria and Western Australia (Hulse and Burke 2005) concerned common housing registers for the social housing sector more broadly, including public and community/affordable providers. Queensland’s One Social Housing System goes further and includes, among many other elements, a common housing register for all providers (public, community/local government and Indigenous).

The rest of the applications/allocations process (eligibility assessment, prioritisation of applications and allocation of households to specific properties) is usually the responsibility of individual providers in the overseas study sites, although we have noted some movement towards convergence and commonality over time. The Queensland system goes further than the overseas common housing register models in introducing commonality in all elements of the applications/allocations process from the outset. We term this a ‘common social housing system’ to avoid confusion.

The policy work around common assessment frameworks is a little different. This is a response to separate service systems for social housing and homelessness
developed since the 1970s and a more recent convergence in the client group of both sectors due to service rationing in longer-term social housing.

We summarise these different reforms within our analytical framework in Table 4.

**Table 4: Type and scope of reforms to improve coordination of access to social housing**

<table>
<thead>
<tr>
<th>Information about services/products and entry points</th>
<th>Information</th>
<th>Information</th>
<th>Information</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access route</td>
<td>Access to private housing</td>
<td>Application for social housing</td>
<td>Access to homelessness services</td>
<td>Access to specialist services</td>
</tr>
<tr>
<td>Data on applicants/referral</td>
<td>Database</td>
<td>Database</td>
<td>Database</td>
<td>Database</td>
</tr>
<tr>
<td>Processes</td>
<td>Process</td>
<td>Eligibility Prioritisation Wait list management</td>
<td>Process</td>
<td>Process</td>
</tr>
<tr>
<td>Access to products/services</td>
<td>Bond, relocation assistance, shared ownership etc</td>
<td>Matching household with social housing dwellings</td>
<td>Crisis housing and support services</td>
<td>Services (including specialist housing)</td>
</tr>
</tbody>
</table>

**Notes:**
- Green area denotes common housing register for social housing with three core components.
- Green and mauve areas denote common social housing system, i.e. common housing register plus additional common functions.
- Green and yellow areas denote common register for housing assistance, i.e. common housing register for social housing plus access to other housing assistance options.
- Pink area denotes common assessment framework.
5 OTHER REFORMS TO IMPROVE ACCESS TO SOCIAL HOUSING

Common housing registers, discussed in the previous chapter, are not the only means of reforming access to social housing. In this chapter we investigate two other types of reform: choice-based lettings, which have been a major policy development in social housing in England and to a lesser extent in Scotland; and local allocations policies which have been introduced quite widely in England and Scotland. Both have attracted some interest from policy makers in Australia.

This chapter provides a brief overview of these reforms in the countries in our study as well as developments in Australia, where applicable. We summarise some of their potential advantages and disadvantages. The overview is based on analysis of interview data and written documents from four of our study sites in England and Scotland which had both common housing registers and choice-based lettings schemes (Bath, Manchester, Bolton and Edinburgh) and one study site where a choice-based lettings scheme is electronically linked to a common housing register (London Borough of Camden), and discussions held in the Australian workshops in stages one and three of our research. It also draws on a range of written material: two evaluations of pilot choice-based lettings projects in England (Marsh et al. 2004) and in England and Scotland (Pawson et al. 2006), voluntary guidance on choice-based lettings issued by the UK government (Brown et al. 2005), and a small number of more reflective academic articles on allocations reform in the UK (e.g. Marsh 2004; Brown and Yates 2005; Mullins and Pawson 2005; Brown and King 2005).

5.1 Administrative allocations and household choice

Where administrative allocations systems determine access to social housing, as in Australia, housing workers assess whether a household is eligible for assistance or not, prioritise their need relative to other applicants using an established system (e.g. date order plus priority, segments/bands, priority points), decide what size and type of accommodation the household is eligible for, and determine the timing of access by offering a specific property when the household reaches the top of a wait list. These tasks are part of an administrative rationing process to determine who can access social housing, when households will be offered housing, and what they get. Rationing is done within the parameters of formal allocation policies and procedures and, since no system is fully automated, assessments by housing staff are also required. We refer to these respectively as formal and informal allocations processes (Burke and Hulse 2003; Hulse and Burke 2005).

Where demand for social housing exceeds availability, as in most social housing in Australia, the pressure for service rationing, which we discussed in Chapter 2, increases. Social housing providers take measures to restrict either demand or supply or both, which are rational responses within a paradigm of service rationing. The key questions for providers then are whether they are making best use of their scarce resource (are they operating efficiently?) and is the resource going to the people who need it most (are they operating effectively?).

What happens if we look at social housing from the perspective of people and households? Under current administrative allocations systems, they have little choice in, or control over, whether they will be able to access social housing or not, the timing of an offer, the dwelling they are offered (type/size) and its location (street/area/suburb), nor incidentally how much rent they will pay. Their choices are restricted to whether to apply or not under these conditions, the ability to state a preference for a broad geographic area rather than a particular street or suburb, the opportunity to request housing which meets particular needs such as ground floor
accommodation (although with no control over whether this request will be met), and the option of refusing a specific offer of accommodation, although this is a high risk strategy which may involve a significant penalty such as being moved further down the wait list or deleted from it.

There are a number of potential risks and perverse outcomes in a system where individual households have so little choice and control. For example, we have some evidence in Australia that households may decide not to apply for public housing, even though they may have similar or greater needs than some of those assisted, because they do not want to lose whatever choice and control they have over their housing situation (Burke et al. 2004: 25-6), a perverse outcome in terms of the effective allocation of a scarce resource. Households may adapt their behaviours in the light of knowledge of administrative rules and processes to try and get more choice and control over their housing outcomes, for example, they may keep household incomes low enough whilst on the wait list to ensure that they meet eligibility criteria for access, they may ensure that their circumstances enable them to be assessed for ‘priority status’ in order to get housed more quickly, or they may apply only for areas which have mainly houses to maximise their chances of getting a house rather than an apartment. Where there is so little choice and control over outcomes, households may not be satisfied with their housing and feel little sense of attachment and belonging to their neighbourhood and move on quickly, creating costs for both themselves and the housing provider (e.g. maintenance expenditure, vacancy rentals, reallocation costs, neighbourhood renewal initiatives).

There have been significant reforms in Europe, particularly in the UK, within a paradigm, which addresses some of these issues about household choice in relation to access to social housing. We discuss these in the next section.

5.2 Reforming social housing allocations within a paradigm of ‘consumer choice’

Many of the ideas about household choice in accessing social housing stem from a reform introduced in the Netherlands city of Delft in 1990. Vacant properties within a local government area were advertised in a free magazine, and households applied directly for those in which they were interested, by sending a coupon to the social housing provider. The scheme mirrored access to properties in the private rental market, except that where there were multiple bids some criteria were needed to choose between them, other than ability to pay rent. In Delft, selection was made by age, with the oldest applicant receiving preference and, in the case of transfer applicants, preference given to the longest-term tenant. An integral part of the scheme was that feedback was given about the successful bid in terms of household type and wait time. Following a positive evaluation, the system was extended to all social housing in the city (Kullberg 1997: 393-4). It was subsequently taken up, often with adaptations, by many municipalities in the Netherlands, where a large majority of social housing is now allocated in this way (Kullberg 2002: 557).

15 There is evidence from quantitative analysis for AHURI National Research Venture 1 that household incomes whilst on wait lists are lower than when in public housing. One explanation for this is that households have to keep their incomes low enough to be offered housing.

16 National surveys of public housing tenants were conducted by consultants for the Australian government department responsible for the CSHA in 2000, 2001 and 2003 (see <http://www.facsia.gov.au/Internet/facsinternet.nsf/aboutfacs/programs/house-national_social_housing_surveys.htm>). They consistently show quite high levels of overall satisfaction, but questions centre on post-allocations issues such as tenancy management and property maintenance, and include households who have lived in their housing for a long time as well as those for whom the applications/allocations process has been more recent. There are no reliable data on how households regard this process.
The success of the ‘Delft model’ has been very influential in rethinking allocations in the UK. Knowledge of it started to spread about 2000, at a time when many social housing providers, both local councils and RSLs, were reviewing their allocations policies (Brown et al. 2000) after a decade of greater bureaucratisation of allocations policy and practice, similar to Australia after about 1997. Mullins and Pawson (2005: 225) ask why public sector reforms that emphasised consumer choice had bypassed the social housing sector (which retained strong elements of paternalism and control), describing the sector as ‘the land that time forgot’. They argue that this system was facing fundamental challenges in terms of growing differentiation between housing markets, changing consumer expectations, and a philosophy of social policy which emphasised consumer focus and user choice. In their view, the success of the Delft model provided a trigger for change in that it appeared to provide a successful alternative to growing bureaucratisation.

Initial experimentation with choice-based lettings in the UK was a ‘bottom up’ process, involving people who were interested in the prospects offered by the Delft model. They included schemes run by individual housing providers, Charter Housing Association in Caerphilly (Wales) and the Leicester Housing Association in Mansfield,17 and a scheme to cover an entire English local government area with multiple providers, Harborough Home Search, which was implemented in 2000 (Brown et al. 2003). Bolton, one of our study sites, was also an early adopter commencing, in 2001.

The idea of advertising social housing subsequently attracted the interest of central government and was supported in a Green Paper on housing in England which presented this as part of a radical change from bureaucratic allocation to the provision of ‘letting services’ responsive to household needs (Department of the Environment, Transport and the Regions 2000a: ch. 9). The government then funded and supported a program of pilot projects in England to test choice-based letting policies that were more customer focused than previous systems, in a variety of areas (Department of the Environment, Transport and the Regions 2000b: 5, 9).

The national pilot program for England ran between April 2001 and March 2003, comprising 27 projects in England and Wales.18 It tested lettings policies aimed at improving choice, with pilots selected via competitive bids from social housing providers. Projects were approved in a variety of housing markets, to include areas of both high and low demand. Almost all (25 projects) aimed at introducing a Delft-style advertising model, with one specifically examining improvements through electronic information provision and one through a web-based system for facilitating transfers within the social housing sector19 (Marsh et al. 2004). Many other schemes were subsequently introduced.

Prior to the evaluation of the pilot projects discussed in the next section, the central government set a target that a quarter of all English local authorities should have such systems in place by 2005 and 100 per cent by 2010 (Marsh et al. 2004: 22).

17 The Mansfield project started with an Innovation and Good Practice Grant from the Housing Corporation which funds and regulates housing associations in England.

18 As part of devolution, the new National Assembly for Wales (2001: 75) produced a housing strategy which foreshadowed that it wished to introduce lettings systems that optimise choice for applicants as well as meeting needs. The Vale of Glamorgan was the first local authority in Wales to implement a choice-based lettings scheme in 2003.

19 Brighton and Hove’s HomeWire scheme involved web kiosks providing information about general housing options in the area, and the Getting London Moving scheme aimed to facilitate transfers for existing tenants of participating housing providers. The London scheme subsequently closed, due to high costs relative to the number of transfers able to be made in a high demand market (Marsh et al. 2004: 179-85).
Government monitoring indicates that 27 per cent had implemented choice-based lettings by the end of 2004-05 (Department for Communities and Local Government 2006a) and most others were planning to do this (Pawson et al. 2006: 25).

The importance of this history is that there appear to be a number of objectives of choice-based lettings: a ‘bottom up’ interest in changing very bureaucratic allocations systems to enable more household choice and greater satisfaction, a central government agenda of modernising government services through improving consumer choice and introducing more transparency in their delivery (Perri 6, 2003), and housing providers’ interest in finding more sophisticated mechanisms of dealing with differential demand in housing submarkets to improve management in key areas such as vacancy periods. There are also other objectives about responsibility, a key word in the 2000 Green Paper, in particular, encouraging applicants to be active consumers rather than passive welfare dependents (Marsh 2004: 186), in effect through behavioural change such that they would behave more like consumers in private housing markets. This latter emphasis was apparently important in the central government’s change in terminology from ‘allocations’ to the more neutral ‘lettings’ (Pawson and Kintrea 2002: 661).

5.3 What are choice-based lettings?

The choice-based lettings schemes which have been developed in England, and to a lesser extent in Scotland (and Wales), involve the advertisement of individual social housing vacancies such that eligible registered applicants can ‘bid’ for (express an interest in) a property. Advertisements may limit who can bid, for instance, a property may be designated as only available for seniors or (in the case of modified housing) for people with certain disabilities. Bids are then ranked and an offer made to the highest ranking bidder, based on the entitlement and prioritisation policies of the providers. Interestingly, there is no formal definition of choice-based lettings in England20 (Brown and Yates 2005: 347).

Voluntary guidance on choice-based lettings in England identified seven principles:

- The applicant should take the initiative in securing their housing, for example, in responding to advertised vacancies;
- Information should be supplied on the social housing market, for example, the location and type of housing and feedback on successful lettings;
- Good information should be available on individual social housing properties and their neighbourhoods;
- Schemes require labelling of advertisements to indicate property matching and local lettings criteria, together with a clear system of ‘currency’ for selection of successful bids;
- Needs of vulnerable households, including homeless households, must be protected;
- Communications must be high quality and varied, e.g. paper based advertising and web-based systems;
- Good information, advice and support should be an integral part of the schemes (for example, about the operation of the scheme) (Brown et al. 2005: 16, authors’ emphases).

20 Michael Jones (2005) suggests that a working definition might be: ‘Unlike “traditional” allocation schemes, in choice-based lettings the customer is aware of all the available properties for which they are eligible, and is able to make their own choice from among the available vacant properties.’
Choice-based lettings do not open up all aspects of applications/allocations to household choice. They replace previous systems in which housing workers offered a specific property to the next eligible applicant, and then to the next on a sequential basis if the first refused the offer. Effectively, choice-based lettings enable bidding by individual households for properties they are interested in. The social housing provider thus obtains a short list of registered applicants who are interested in a particular property, rather than drawing from a more general wait list. Providers still set the rules in terms of eligibility criteria, prioritisation systems (e.g. wait-term and priority, segments/bands, and priority points), and matching guidelines by labelling properties for specific household types, such as older people or people with a disability. According to an evaluation for the central government, ‘choice-based lettings does not remove all control over access from the hands of landlords – control is relocated to earlier in the process when the rules of the game are set’ (Marsh et al. 2004).

5.4 Choice-based lettings in the UK study sites

Choice-based lettings schemes in England are now well developed and, as we have seen, have received substantial government support, including financial support. Whilst choice-based lettings have been developed in some Scottish local authorities, they have not been actively encouraged by the Scottish Executive which has preferred to promote and resource the development of common housing registers. 

A summary of the choice-based attributes of the study sites is outlined in Table 5 in Part B, while additional information from other schemes is reviewed in some detail in Chapter 10. These findings respond to the questions/issues raised by policy makers and practitioners in the workshops in stages one and three of the research. Here we summarise the key findings.

5.4.1 Scope

- Choice-based lettings schemes are generally based on a local authority area, although this is changing both through the ‘bottom up’ geographic expansion of some schemes and through specific government financial support of sub-regional and regional schemes.
- Schemes are generally restricted to longer-term social housing.
- Whilst common housing registers have been introduced outside of the study sites without choice-based lettings, choice-based lettings have been developed using the platform of common housing registers for ‘front end’ access.

5.4.2 Participation

- Choice-based lettings include the local authority, but not all RSLs nor all RSL stock.
- Some RSLs use choice-based lettings only for those units over which the local authority has nomination rights, and allocate their other units using traditional processes.

In areas of high demand, some schemes use choice-based lettings in association with advice on a broader range of housing options than social housing, although attempts to include private landlords have not been very successful.

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21 Interviews conducted for the project, and subsequent personal communications to the research team, indicated that the Scottish Executive was waiting for an outcomes evaluation before finalising a position on choice-based lettings. This evaluation (Pawson et al. 2006), based on two case study sites in Scotland as well as eleven in England, is discussed in Chapter 6. It was published in October 2006 during the writing of this Final Report.
5.4.3 Operation

- All schemes operate with some sort of ‘currency’ to rank competing bids for the same property: typically, priority point systems in very high demand areas, bands/segments in areas of high but not extreme demand, and date order plus priority in areas of low and moderate demand.
- Often the highest ranking priority status is time-limited, for example, three months.
- Properties are labelled as being suitable and/or available for certain types of households, such as minimum age of tenant, lone person households or family accommodation.
- Individual properties are advertised through a range of media, including specific property bulletins, local newspapers, information in local ‘property shops’, web kiosks, and more generally through the internet.
- There is a regular cycle for advertising vacant properties (weekly or fortnightly) and a cut-off date for lodgement of bids. Rules on the number and frequency of bids vary. Only pre-registered applicants can generally apply, except in areas of very low demand.
- Short lists for individual properties are computer generated and the landlord’s prioritisation policies determine the successful bidder.
- All schemes involve feedback on successful bids through a variety of media including property bulletins, local newspapers, SMS direct to bidders, and online publishing of results on the web without any identifying information.

5.4.4 Implementation

- Choice-based lettings must operate within legislation, statutory guidance and local policies.
- Pilot projects received substantial funding from central government. Some smaller RSLs may decide that participation is not worthwhile in the future when costs are allocated between partners.
- The most significant barrier to implementation was procurement and installation of quite complex hardware and software systems.
- Implementation required good collaborative working relationships between the partners and often necessitated concurrent overhauling of allocations systems.

The above summary findings are about processes of development and implementation and operations. In Chapter 6 we look specifically at outcomes.

5.5 Australian policy development on choice-based lettings

Whilst the Australian workshops in stages one and three of the research indicated some interest in, and knowledge of, choice-based lettings in the UK, there was considerable scepticism that this could work in other than low demand areas. We found only one specific Australian example, in Whyalla. We note that this example has attracted the interest of the Public Bodies Review Committee (2006) of the New South Wales parliament.

The Whyalla pilot was initiated some two years ago as a result of a visit to the UK by two area office staff of the South Australian Housing Trust who had noted the growing usage of choice-based systems. At the time, Whyalla had around 300 vacant properties that needed repairs to be tenantable, plus an overall vacancy turnover of around 500 properties per annum. In this context, the wait list allocation method was becoming increasingly time consuming to administer, as applicants would often refuse
properties, knowing a better one might become available soon. Housing workers would have to go considerably down the list to find a willing applicant.

The Trust allowed its Whyalla office to pilot a choice-based system which has now been operative for about two years. This does not replace the existing system, but operates alongside it. Essentially it is available for households in segments 3 and 4 on the wait list, but excludes households in segments 1 and 2 who are allocated in the traditional way. Which vacant dwellings go to each of these systems is an outcome of an evaluation process which includes proximity to health and support services, disability access, and dwelling type. In the early stages, properties going into the choice-based system were upgraded prior to being made available.

Properties designated for choice-based lettings are advertised in the local office on a weekly basis, with an ‘open for inspection’ time nominated. A staff member is in attendance to answer questions and hand out application forms. The successful applicant is the one who is highest on the general wait list, subject to being an appropriate household type, for example, a family group for a larger property.

While other methods were explored, advertising in the local office was seen as adequate and, as applicants become aware of the choice-based system, more and more are ringing in weekly to ask about the new advertised properties so a visit to the office is unnecessary.

Since the system has been introduced, vacancies have fallen dramatically. Satisfaction with the method is high, according to a client survey, and only one or two households have declined an offer. Administration time has been substantially reduced. Fear that open inspection might increase rates of vandalism and theft from newly reconditioned properties has not eventuated. Overall, it is somewhat difficult to judge improvements that can be specifically attributed to the scheme, as the local economy and housing market have also improved over the same period.

5.6 Local allocations policies in Australia and overseas

Local allocations policies are quite widespread in the UK, including in our study sites. Typically they have been developed in response to particular problems being experienced in a building, estate or neighbourhood, for example:

- Lack of demand and under-utilised stock;
- High demand reflecting a lack of affordability in the local private housing market;
- Concern about the impact of existing allocations on social sustainability of the building, estate or neighbourhood, for example, concentration of households with high needs;
- Lack of fit of local stock with demand, such as larger stock lying vacant whilst there is a long wait list of smaller households;
- Lack of mix of household types and socio-demographic mix, for example, large number of teenage children;
- Local residents being displaced by applicants from outside the area;
- Local opposition to new social housing developments;
- Commitment to residents relocated as part of redevelopment projects that they will be able to return.

Local allocations policies/practices involve local solutions to these local problems. They are an indication that ‘one size fits all’ allocations do not suit all situations. In general, though, we can distinguish between ‘flexible’ local allocations policies that
open up access to a broader range of people, for example, in low demand areas, and
those that seek to restrict some people or groups of people to access social housing
in a building, estate or neighbourhood to generate increased social mix (see also
Cope 2000). The latter are particularly hard to identify as they may reflect practice and
informal allocations rather than policy. Perhaps partly for this reason, there has been
little systematic review of local allocations policies; for the most part, they are seen as
operational changes rather than policy reforms.

A study of the ‘top 250 housing associations’ for the Housing Corporation in the UK
asked whether they had ‘local lettings’, defined as ‘exceptional allocations policies’
applying to ‘designated areas or estates’. It found that 55 per cent of those surveyed
had such policies. The most commonly cited reasons were ‘to promote balanced
communities’, ‘to promote tenancy sustainment’, ‘to counter low demand’, ‘to promote
tenant satisfaction’ and ‘to exclude potentially disruptive tenants’. The main forms that
local lettings took were, in order of frequency, allowing smaller households an extra
bedroom, letting to lower need applicants, giving extra priority to local applicants,
operating stricter than usual rules on exclusion due to anti-social behaviour, and
giving priority to applicants who were employed (Pawson and Mullins 2003: 27-9).
This is considered further in the resource kit in Part C of this report.

Local allocations in the UK can pose tensions between legislative and regulatory
requirements to house those most in need and ‘on the ground’ concerns about
tenancy and community sustainability. Pawson and Kintrea (2002: 663) sum this up:

Whilst there is great interest and support for the idea that allocations can be used
as a tool to create less isolated, socially mixed, sustainable communities, the
problem is achieving this while not compromising the ability of those in severe
need, including homeless people, to access housing of a basic quality level.

In Australia, there is growing recognition that social housing allocations must be more
responsive to local housing submarkets, including in social housing (e.g. Zakharov et
al. 2004). Whilst Australia does not have the same volume of 'hard to let' social
housing as in some European countries, some types (e.g. bedsitters) and some
locations (e.g. some country towns) are in low demand and may require specific
allocations policies. Some social housing is in areas where little private rental is
available, and then only at very high rents (e.g. resource development towns in the
north of Australia), again requiring flexible allocations policies that enable service and
other workers to be accommodated.

More controversial are local allocations policies that seek to change the profile of
households through restricting access by some types whilst giving preference to
others outside of normal prioritisation policies. This is often mooted as a means of
enabling more sustainable tenancies and more sustainable estates, with a range of
spill-over effects for management anticipated, including lower levels of rent lost due to
vacancies, less staff time spent on allocations as a result of lower vacancy rate, and
lower agency costs in dealing with neighbourhood disputes and providing support.
Some of these problems have been attributed to greater targeting of public housing in
consultations around neighbourhood/community renewal programs since the late
1990s. Policy makers are concerned that the financial, organisational and community
investment in the programs could be jeopardised and that, without some control over
local allocations, the areas might slide back into being areas of disadvantage.

The workshops in stages one and three of the research indicated that many examples
of local area allocations already exist – indeed, have existed for years – but through
worker discretion (informal allocations) rather than any formal statement of objectives,
targets and approved strategies. There was considerable interest in having local area
allocations within broad policy frameworks, although a number of important issues
were raised, such as whether this would be permissible under anti-discrimination legislation. There are examples of processes to enable more explicit local allocations policies or plans. In Queensland, there is a formalised process for approving ‘local policies’, including allocations to respond to local contexts. Here, however, we use the example of Victoria which is piloting local allocations policies.

In Victoria, which has had a highly targeted system for longer than any other Australian jurisdiction, there is recognition that this can create pressures on specific locations and that modification is required for better client and estate outcomes. This has resulted in the development of two pilot sites to implement what are probably the most detailed and comprehensive local allocations plans proposed in Australia. The first site is in the Mildura area, which is compromised of the suburbs of Irymple, Merbein, Mildura, Mildura South and Red Cliffs. All public rental properties in the area are included in the pilot.

The second pilot site is the Inner Metropolitan East area, which is distinct from the first pilot as the plan is relevant only to properties on specific estates. The Collingwood, Fitzroy and Richmond high-rise and surrounding walk-up estates form the plan area, with the first two being neighbourhood renewal areas. Other properties in these suburbs, and the other suburbs that form the broader Inner Metropolitan East area, are excluded from the plan area and as such normal allocations policy applies.

Both plans still operate within the overall Victorian framework, which is a priority system with four predominate segments, but with more local flexibility to encourage sustainable tenancies. The focus of the plans is to guide allocation decisions in the plan areas in order to achieve a particular set of outcomes, based around encouraging a compatible mix of tenants, reducing concentrations of disadvantage, and producing positive outcomes for clients and the provider.

The underlying principle is to better match households with available properties to ensure tenant satisfaction, thereby increasing the likelihood of the tenant sustaining their tenancy. The plans are comprised of two main elements: selective allocations and increased choice to selected applicants.

One method of applying flexibility is through the use of socioeconomic and demographic data along with application and tenancy information to determine the type of households to target allocations towards. Flexibility places the onus on the landlord to complement needs-based criteria with other indicators to encourage a controlled intake of applicants to an area. This assumes that a blend of households with different social characteristics will produce certain desirable outcomes in some areas, while a selective intake will assist to ensure compatibility amongst neighbours.

### 5.6.1 Increased choice

Increased choice shifts control to the applicant in relation to housing decisions that traditionally lay with the provider. The aim is to empower clients to make choices about their housing and therefore increase their satisfaction with it. Choice is offered to selected applicants in relation to:

- Location (including suburb, estate and/or building);
- Property amenity;
- Number of offers received (flexible offer cancellation policy applied);
- Existing tenants are able to request and be granted transfers within the area, including encouragement of mutual swaps.

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22 There does not appear to have been much take-up of this opportunity.
The plans do not exclude applicants from being housed in an area, but rather are designed to place them in areas where they are most likely to create a successful tenancy and community. Where an applicant is offered increased choice, reasonable effort is made to accommodate this as long as it does not unduly increase waiting times for others, particularly those in urgent housing need.

In such local allocations policies, applicants are selected from the one wait list but according to the household type that is needed for the specific vacancy, and it is these households who are able to exercise some choice when an offer is made to them. Allocations are not made according to the needs-based policy of the general wait list. Part C of this report, the resource kit, gives more detail for social housing agencies considering local allocations policies.

The importance of the Victorian (and other) examples is in making local allocations policies more transparent and explicit in terms of identifying objectives, setting clear targets, and developing specific strategies to meet these. Without such processes, there is a danger that local allocations exist de facto but it is not clear why decisions are being made, how allocations will contribute to improvements in a building, estate or neighbourhood, or whether they have been effective. This leaves housing workers, applicants and local residents in a situation where the rules are not transparent, and where informal processes may lead to sensitive and appropriate allocations at one end of the spectrum and to discriminatory and inappropriate practices at the other.

5.7 Summary

Administrative allocations systems have been an integral part of social housing in Australia and elsewhere. Where demand increases and/or supply decreases, administrative processes and criteria become more critical in rationing access. The corollary has often been less choice and control by households over their access to social housing, a trend which runs counter to public sector management reforms over the last 15 to 20 years which have emphasised diversity of provision and consumer choice as leading to more efficient and effective delivery of services.

In the UK, particularly in England, significant reforms to social housing allocations are occurring within an explicit paradigm of consumer choice, building on earlier reforms in the Netherlands. These reforms, branded as choice-based lettings, do not replace control by social landlords over allocations, nor do they necessarily override housing need as the primary criteria for access. They introduce more choice and control into one stage of the allocations process, that of matching individual households with individual properties. In effect, households self-select to form a short list for each vacancy (rather than being allocated to a property without any prior opportunity to indicate their interest or lack of interest). Only one scheme in Australia currently attempts to match applicants to available properties in this way.

Local allocations policies, on the other hand, involve changes to matching of households and available properties to deal with a range of specific local problems. They exist in a de facto way and are typically regarded as a practice rather than a policy issue. For this reason, it is difficult to provide an overview of practice and implications for policy.
6 OUTCOMES OF REFORMS TO IMPROVE ACCESS TO SOCIAL HOUSING

In the previous two chapters we investigated the processes involved in developing, implementing and operating common housing registers and other reforms to improve access to social housing. In this chapter, we examine the outcomes of these reforms. The chapter is based on available research and evaluations, which mainly refer to choice-based lettings, and to a lesser degree common housing registers, in England and Scotland, and information from our field visits. There have been no systematic reviews of common housing registers in the Canadian jurisdictions in our study (Ontario and British Columbia) that could inform our assessment of outcomes. Similarly, local allocations policies in all countries in our study are developed, implemented and reviewed at a very local level and typically not seen as a major reform. Despite the widespread adoption of such policies, for example, in England, no material is available that would enable a systematic review of outcomes.

6.1 Common housing registers

Although there has been considerable resource and promotional material about how to develop and implement common housing registers, in particular by the Scottish Executive (2002, 2004, 2006), there have been surprisingly few attempts at any systematic evaluation of their outcomes in England, Scotland or Canada.

Most available studies have collated and synthesised information from what are essentially a series of local initiatives, albeit with central government support, particularly in Scotland. For the most part, this has involved detailing such initiatives as individual case studies and attempting to distil learning that can be of benefit to local authorities and RSLs, which are considering, or are at an earlier stage of developing, common housing registers. The focus of attention has been on the stages in developing common housing registers, governance and organisational issues, resourcing (particularly information and communications technology), the specific forms of registers implemented, and the views of social housing providers.

Good outcome evaluation principles require benchmark data from before a change is introduced, a clear statement of objectives of the change(s), and measures of progress in achieving these. In practice, those involved with common housing registers typically assume that they are ‘good’ without necessarily spelling out objectives, except at a local level, which thus makes evaluation difficult to achieve. From the case study material in the literature and from the study sites in this research, the objectives can be inferred as: potential benefits to applicants from coordinated information and streamlined access, greater efficiencies for providers, both direct (e.g. more efficient applications processes) and indirect (e.g. shorter relet times), and better information for planning and managing social housing.

There has been little attempt to obtain the views of applicants and prospective applicants; indeed, better outcomes for applicants can ‘fall beneath the radar’ as acknowledged in the most recent study by the Scottish Executive (2006: 1943):

Due to the range of factors involved in CHR delivery, there does appear to have been times where the focus on the end result – improved access for applicants – has been somewhat lost in technical discussions, on occasion resulting in potentially confusing procedures for applicants. In some cases, CHRs which are currently operational admit that they lost this focus on the applicant experience at certain points of development, resulting in the adaptation of procedures following the CHR launch with the aim of increasing transparency and simplicity for the applicant.
There is little data available on whether efficiencies for providers are achieved, largely because no benchmark data were collected prior to the implementation of common housing registers and also because, in the process of developing and implementing them, changes are often made to policies or administrative processes and procedures which may in themselves have delivered efficiencies even without the register.

There is one study of regional and national RSLs in England participating in multiple common housing registers, based largely on local authority areas, which does provide some assessment of outcomes. It found that the RSLs generally considered the benefits of participation outweighed the disadvantages. The registers enabled applicants to access a broader range of accommodation and landlord types, assisted providers in accessing a larger pool of applicants in areas where there was low demand, and facilitated a better understanding of housing needs in local areas. Their concerns revolved around the complexity of dealing with up to 32 local common housing registers, complex models that went beyond the three core functions, lack of standardisation in processes and procedures, and resourcing implications in terms of both the direct costs of participation including contributing to multiple registers, and the indirect costs such as time spent by key staff. These were of particular concern to specialist housing providers, which had stock scattered amongst many local authority areas (Craigforth 2002).

A more recent study by Reid et al. (2004) reviewed six common housing register pilot projects in Scotland and suggested that they produce two tangible outputs: a model of ‘joined up working’ (a process) and a model of an information and communications technology enabled service (a product). However, it found only sparse evidence on outcomes. In particular, whether common housing registers delivered cost savings compared to previous systems, or indeed what the true costs of such systems are, remains elusive. Providers were ‘vague’ about the costs of carrying out the application/registration function through a common housing register and, in particular, how this compared with the costs of doing this independently. For example, participants did not know how much it cost to process an application when they did this themselves:

In essence, organisations are not equipping themselves with management information that will tell them whether their CHR partnership is achieving value for money, or whether the throughput of applications is more efficient and effective (Reid et al. 2004: 33).

Despite this, the study concluded that some efficiencies could be demonstrated: elimination of double counting of applications, generation of information for planning, and improvement of confidence levels in relation to application levels. It saw reasonable prospects of benefits in terms of synergies with local policy initiatives such as local allocations policies, expansion of information and communications technology enabled services, and simpler and more straightforward access to housing for consumers (Reid et al. 2004: 34). The report further proposed a tool for tracking detailed costs and benefits through different phases of common housing registers (Reid et al. 2004: ch. 5).

Three broader issues have been raised about other outcomes of common housing registers. Firstly, do they lead to pressure for common allocations policies that undermine the independence of RSLs and their capacity to respond in a sensitive and appropriate way to special needs? This issue was raised by Mullins and Niner (1996) in the original review of common housing register development in England, and subsequently by others (e.g. Pawson and Mullins 2003). Our interview data from the

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study sites in England and Scotland suggest that there is still some concern about this. It is also notable, in this context, that in Toronto since the study visit, some alternative providers for people who are homeless or at risk of homelessness no longer use Housing Connections (the common housing register) but prefer to take applications directly and manage their own wait lists (Housing Connections 2006).

Secondly, do common housing registers have the potential to exclude households from all social housing in an area (Pawson and Mullins 2003)? In England, Wales and Scotland this has been addressed in part by legislative and regulatory changes which make blanket exclusion of classes of people from registering for social housing illegal. Local authorities can still suspend applications or remove or lower priority status on a temporary basis due to, in particular, rent arrears or anti-social behaviour (Stirling and Smith 2003: 148). Concerns about exclusion from all social housing where a common housing register exists, akin to ‘blacklisting’ of private tenants, are relevant in Australia where the legislative and regulatory environment for access to social housing is less well developed than in the UK, as we discuss in Chapter 7.

Thirdly, an ongoing concern has been about enabling access to social housing for the most vulnerable households, including homeless people. There is a fear that the common application forms which form part of common housing registers may not enable people in greatest need, or with special needs, to be identified. One safeguard in the UK is the statutory obligation on local authorities to provide assistance to homeless people in certain categories, although it is often not clear how common housing registers assist in the discharge of this responsibility. There is no such legislative or regulatory safeguard in Australia.

In brief, the growing literature on common housing registers focuses on development and implementation, and the main outputs appear to be both a process (more collaborative working) and a product (an information and communication enabled register). There is little reliable evidence on outcomes for applicants, direct and indirect costs and benefits for providers, and the extent to which registers have provided information to enable better information on demand for social housing. In contrast, choice-based lettings have been the subject of several evaluations which we consider next.

### 6.2 Choice-based lettings

In England, choice-based lettings have been monitored and evaluated in large part because of a national program of 27 pilot projects (2001-03) supported by the central government. The first evaluation was of a choice-based lettings project that was developed and implemented prior to the national program in Market Harborough, a high demand rural district. Subsequent guidance for social housing providers has emphasised the need for clear objectives and targets, benchmarking data prior to implementation, and adequate information systems to enable regular monitoring and evaluation against objectives and targets (Centre for Comparative Housing Research 2002: 25).

Unlike common housing registers, a number of objectives of choice-based lettings have been articulated which can be summarised as: *improved choice and satisfaction for households*, including the extent to which they understand the system and can play a role in ‘bidding for properties’ and the extent to which better information and feedback on filling of vacant properties changed search behaviours; *greater efficiency and effectiveness for providers*, e.g. reduced vacancy turnover, improved relet times,

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24 It was launched in April 2000 in South Leicestershire in the East Midlands, comprising the local authority and three partner housing associations, with 3,100 social housing dwellings.
and letting properties in low demand areas; and improvements to planning for, and investment in, social housing, e.g. information on demand for particular property types or areas, assisting in asset planning. Other suggested objectives include building sustainable communities if people have more choice in where they are housed (e.g. Brown et al. 2003). There has also been recognition that some of these objectives are not necessarily compatible, for example, improving provider efficiency in reletting dwellings might involve restricting opportunities for applicants to respond to advertised properties (Centre for Comparative Housing Research 2002: 10).

In this section we review evidence on the outcomes of choice-based lettings, based on the following research projects:

- Evaluation of the original Harborough Home Search project by researchers from De Montfort University (Brown et al. 2002, 2003);
- Reflection on key learning after one year of operation of the national program of pilots by De Montfort University researchers in a guide for local authorities and RSLs (Centre for Comparative Housing Research 2002);
- Evaluation of applicants’ perspectives in six of the pilot projects by the British Market Research Bureau (Barnard and Pettigrew 2004);
- Evaluation of the 27 pilot projects for the Office of the Deputy Prime Minister by researchers from the Universities of Bristol and Cambridge (Marsh et al. 2004);
- Detailed voluntary guidance on implementing and developing choice-based lettings by researchers from De Montfort University who supported/resource the national program of pilots (Brown et al. 2005);
- Monitoring of the longer-term impact of choice-based lettings in eleven case study areas in England and two in Scotland25 for the Department for Communities and Local Government by researchers from Heriot Watt University (Edinburgh) and the British Market Research Bureau (Pawson et al. 2006).

6.2.1 Improved choice and satisfaction for households

The evaluation of the first choice-based project (Harborough) after three years was largely positive in terms of benefits for households. It found that they considered the information helpful in assessing their options and that two ‘property shops’ in larger centres were well patronised. However, better information did not necessarily change search behaviours; households were still prepared to wait for their preferred choice of area rather than take another option. Choice and satisfaction were limited by insufficient properties to meet the needs of vulnerable households in such a high demand area. The evaluation also indicated more sustainable tenancies and social participation where households had more choice and regarded their new home as a longer-term commitment (Brown et al. 2003: 2-5).

Detailed qualitative research into applicants’ perspectives in six of the 27 pilot projects found that choice-based lettings did increase perceptions of choice, control and transparency. There were more mixed views on the ‘fairness’ of the system which, although seen to remove unfair discretion, was not seen as fair if it did not meet the person’s needs. As in the Harborough evaluation, applicants were very clear about what they were looking for, and were unwilling to compromise on the quality of the area they wanted to live in, although they were prepared to make some trade-offs on other elements such as property size and which storey accommodation they would accept. There was some frustration with restrictions on bidding, for example, not being able to accept smaller accommodation than they were entitled to. There was a clear

25 Five of the thirteen projects were established outside of the national program of pilot projects.
demand for individualised feedback on bidding, i.e. to be told why their application was unsuccessful (Barnard and Pettigrew 2004).

The formal evaluation of the pilot projects generally supported these findings. Based on household feedback, they were successful in providing more open, transparent and simple systems that were seen as offering more choice. Most households considered that choice-based lettings required more work on their part but the benefits made this worthwhile.\(^{26}\) Also, despite initial concerns, vulnerable households had been able to access a significant proportion of vacant properties, including the most popular, through being awarded ‘priority cards’ or ‘high banding’. The weakest part of the pilots overall was provision of support to such households, but the proportion unable to participate in choice-based lettings without intensive support was relatively small (Marsh et al. 2004: 5-6)

Research into longer-term outcomes\(^{27}\) was more qualified in terms of household views. Although better information and the opportunity to bid for individual properties was welcomed, there was concern about the transparency and fairness of processes for selecting successful bids. In particular, those who were continually unsuccessful felt frustrated that there was not enough social housing and that ‘ordinary people’ were missing out. Individual feedback was considered to be very important to bidders’ perspectives; they were very positive about choice-based lettings where feedback was available, but dissatisfied where it was inadequate, as was frequently seen to be the case (Pawson et al. 2006: 112-16). Some of these findings appears to relate more to increased targeting of social housing in the UK rather than to choice-based lettings per se since, in practice, these could operate with any prioritisation system, including date order.

The research on longer-term outcomes reiterated that applicants had strong views about which area they wanted, or did not want, to live in, valuing safety, familiarity and community facilities. They were least likely to change their views on area and more likely to change the type of accommodation they bid on after a number of unsuccessful bids. There was some evidence of the average number of bids in ‘less popular’ areas growing more quickly than in ‘more popular’ areas, suggesting that some households were changing their preferences based on their experiences of bidding.

The evaluation of the pilot projects indicated some concern about bidding by vulnerable households, including homeless people and the elderly. The projects mainly tried to seek cooperation of a network of statutory and voluntary organisations and train them to assist clients to participate. However, not all vulnerable people have organisations to provide such support (Marsh et al. 2004: 13). Also, older people were more comfortable with paper-based systems and had lower bidding rates in technology based pilots (Marsh et al. 2004). The conclusion was that provision to assist vulnerable people has to be built in from the beginning.

Older people were less likely to bid for available properties than other groups and, on the important question of access by vulnerable households, the very limited data suggested that vulnerable households who had been homeless were less likely than previously to have been housed in low demand areas.

\(^{26}\) Households sampled included both successful and unsuccessful applicants, those new to social housing and those experienced in the traditional allocations system, and users of pilot schemes in a variety of housing market contexts (Marsh et al. 2004: 8).

\(^{27}\) ‘Longer-term’ in this context refers to schemes having been in full operation for at least eighteen months at the start of the research (Pawson et al. 2006: 6).
Modest gains in terms of sustainable tenancies were reported, measured as maintaining a tenancy for at least twelve months, which was interpreted as reflecting greater satisfaction with lettings (allocations) outcomes. Successful applicants were generally satisfied with their properties and intended to stay there in the long term.

Following disturbances in the northern English cities of Bradford, Burnley and Oldham in 2001, concerns were expressed about whether choice-based lettings had contributed to increased segregation of ethnic communities, and thus to a reduction in social cohesion in such large, multi-ethnic cities (Hulse and Stone 2006). The House of Commons committee which investigated the disturbances reported that:

The Office of the Deputy Prime Minister’s housing policy to promote choice-based lettings needs to be reviewed. Freedom of choice can lead to greater segregation if tenants’ choices are constrained by limited information, fear and safety (House of Commons 2004: 4).

The evaluation of longer-term outcomes found no evidence that choice-based lettings resulted in higher rates of ethnic segregation than in previous systems. Although patterns varied, they were associated with a move of some minority ethnic households towards ‘non-traditional’ areas (Pawson 2006; Pawson et al. 2006: 125-35).

6.2.2 Efficiency and effectiveness for providers

Evaluation of the Harborough project found that results in terms of relet times were mixed: the local authority experienced a considerable decrease, but RSL partners experienced little improvement or even deterioration (Brown et al. 2003: 5-6).

The evaluation of the national program of pilot projects found that most local authorities were very positive about them and were determined to continue. It found that the discipline associated with choice-based lettings (a weekly or fortnightly cycle of advertising, bidding and lettings) improved performance in many of the pilots, particularly in reducing vacancy periods (relet times). A few housing associations were not happy with their housing management performance and, as they face paying for the service after the pilots, are likely to withdraw. Very few providers in the pilot projects were able to report on performance other than vacancy periods (Marsh et al. 2004: 152). In general, it was housing association partners (not local authorities or the lead housing association) which had more doubts about choice-based lettings, largely about cost and future performance rather than household benefits.

The evaluation of longer-term outcomes suggested that set-up costs can be very substantial, particularly if sophisticated information and communication technology systems must be developed to allow for the different prioritisation and matching policies of a large number of providers. In most cases, choice-based lettings also cost more in terms of ongoing operations than traditional systems, largely because of the costs of advertising and service charges where these apply. This can be offset by the savings offered through speedier reletting. Thus the extent to which choice-based lettings are cost effective for an individual provider depends on factors such as turnover rates and efficiency in allocations under previous systems (Pawson et al. 2006: 153-74). It will also depend on how the initial costs of development are met and the basis for determining participants’ contributions to ongoing costs.

6.2.3 Better information for policy, planning and investment in social housing

The Harborough evaluation found that improved information provided by choice-based lettings made a substantial contribution to the development of the local housing strategy (Brown et al. 2003: 6-7). Further work for the Office of the Deputy Prime

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28 The authors indicate that this data on vacancy periods came from local authority statistics.
Minister suggested that choice-based lettings had great potential in providing clear guidance to social landlords on the ‘product’ that customers want and was helping to modernise social housing (Centre for Comparative Housing Research 2002: 29).

The evaluation of the national program of pilot projects found that the number of households registering for social housing increased after the launch of the projects in most areas, sometimes dramatically (Marsh et al. 2004: 5). The subsequent evaluation of longer-term outcomes qualified this by suggesting that the number of active bidders may be a more relevant measure of demand, pointing out that, although evidence is very limited, two case studies indicated that less than a quarter of registered households are active bidders (Pawson et al. 2006: 9). The evaluation found that choice-based lettings can be successfully implemented in both high and low demand areas, rebutting earlier concerns that such schemes would only work in low demand areas.

The national evaluation found that different property types had different levels of bidding, which can provide input into asset management strategies. In general, bidding rates were higher for larger properties and houses and lower for smaller properties, particularly bedsits and studios, flats and ‘sheltered housing’ for the aged. Demand is often quite specific, e.g. single blocks or part of a street, rather than high and low demand areas (Marsh et al. 2004: 14-16).

The national evaluation also stated that choice-based lettings had a number of important spin-offs in terms of demonstrating the potential of ‘e-government’, establishing collaborative working arrangements, improving policies and procedures, and affecting attitudes to social housing, in particular, highlighting the shortage of supply in some areas (Marsh et al. 2004: 17).

6.3 Summary

Assessment of the outcomes of reforms to improve access to social housing in England, Scotland and Canada relies on limited and patchy evidence, with the notable exception of the national choice-based lettings pilot projects in England. For the most part, local allocations policies have been seen as local administrative matters and not reviewed more generally, whilst studies of common housing registers in England and Scotland can be regarded as process evaluations which have concentrated on learning from practice how to develop, implement and operate these registers. There is an emerging body of evidence on choice-based lettings in England (and to a lesser extent in Scotland), which can be regarded as outcome evaluation.

The key learning for Australia is that, firstly, apart from specific problems referred to in the chapter, both common housing registers and choice-based systems have been successfully implemented without any major negative outcomes. Secondly, it is important to undertake outcome evaluations, as well as process evaluations. A lack of consideration of outcomes (or impact) means that, for example, the ‘jury is still out’ in terms of the cost effectiveness for individual social housing providers involved in common housing registers, choice-based lettings and local allocations policies in the jurisdictions in our research. The implication for Australia is that attention needs to be given to outcome evaluation in conjunction with the introduction of reforms to improve access to social housing. This involves collection/collation of benchmark data before reforms are introduced, setting clear objectives, and establishing from the outset how progress towards meeting these objectives will be measured.
7 IMPLICATIONS FOR REFORMS TO SOCIAL HOUSING ALLOCATIONS IN AUSTRALIA

We have investigated three main types of reforms to social housing allocations: common housing registers, choice-based lettings and local allocations policies, which can be seen as falling within different paradigms: service integration, consumer choice, and place management respectively. These were investigated both internationally (the UK and Canada) and, where relevant, in Australia. Our account of their development, implementation and operation (Chapters 4 and 5) has highlighted that they address different parts of the applications/allocations process. Common housing registers aim at service integration at the ‘front end’, whilst choice-based lettings and local allocations policies provide alternative ways of managing wait lists and matching households with available properties at the ‘back end’ of the allocations process to take into account household choice and considerations about place respectively. We have also assessed evidence on the outcomes of such reforms (Chapter 6), which indicate both their advantages and some of their limitations.

The reforms we have outlined and discussed have been developed within specific national and sub-national contexts; they cannot simply be transferred uncritically to the Australian context. In this chapter, we examine the institutional settings and policy levers, which have facilitated reforms in the jurisdictions in our study. We consider whether and to what extent these are similar to, or different from, those of Australia, as well as other factors which are relevant in determining the feasibility of implementing reforms to social housing applications/allocations in Australia. The intent is not to recommend specific reforms, but rather to highlight the macro level factors that should be taken into account. The resource kit in Part C of this report provides a more detailed and practical resource to enable policy makers and others to consider both macro and micro level issues in developing reforms appropriate to different jurisdictions and/or particular social housing sectors.

7.1 Institutional settings and policy levers

7.1.1 Governance

Common housing registers and, to a lesser extent, choice-based lettings have been implemented in the context of considerable change in the governance arrangements affecting social housing in the UK and Canada.

In Canada, the institutional settings that developed after World War II persisted with some variation to the mid-1990s, involving joint federal and province/territory responsibility for social housing through a raft of different program and funding arrangements over the decades. Essentially the provinces/territories managed most social housing either directly or, since the 1970s, increasingly via a variety of not-for-profit housing providers. The federal government’s role was in financing social housing, sometimes cost-sharing with the provinces/territories, and in policy development. It also had a particular role in managing specific programs for Indigenous people and cooperative housing (Wolfe 1998). The development of common housing registers in Canada has been a small part of fundamental restructuring of these institutional settings for social housing.

29 We employ the Australian usage of ‘not-for-profit’ to incorporate all non-government social housing providers which operate on a non-profit-making basis, including a very small housing cooperative sector. In a Canadian context, ‘not-for-profit’ providers are distinguished from ‘housing cooperatives’ which have had a different history and funding arrangements and more significance in a policy context than in Australia.
From the late 1990s, the federal and provincial governments negotiated a series of bilateral Social Housing Agreements\(^{30}\) to devolve all responsibility for most programs to each province, replacing a variety of previous agreements, and to agree on transfer of federal funding specified under prior agreements until their date of expiry (Shapcott 2004: 195-212). In Ontario, where our study site of Toronto is located, the agreement was signed in November 1999 and meant that the province now has responsibility for most but not all social housing within its boundaries, some 200,000 dwellings, most of which were various types of not-for-profit and cooperative housing rather than public housing.\(^{31}\) In this process of devolution, the federal government retained the right to set general income limits for access to social housing that it had funded.

In Ontario, although not in other provinces, responsibility for program funding and administration of social housing was further devolved to 47 municipal service managers under the Social Housing Reform Act 2000.\(^{32}\) As part of this secondary process of devolution, the province required that service managers (municipalities) establish and administer a *centralised wait list* of households applying for subsidised social housing. Service managers can provide this service themselves, enable a housing provider to do it for them, or give the task to a separately incorporated coordinated ‘access provider’. Whatever they choose, the local service managers are ultimately accountable for access to subsidised social housing, called ‘Rent Geared to Income’ (RGI) assistance. They must manage social housing within provincial legislation and a series of regulations and directives. These cover access to all units for which tenants pay RGI rents and include requirements about provision of information about housing options, a common application form and a common housing register, common assessment of eligibility, minimum provincial requirements for prioritisation of applications, and rules about matching households and properties (Ministry of Municipal Affairs and Housing, Ontario 2003).

The city of Toronto, as a local municipal service provider, subsequently established Toronto Community Housing Corporation and transferred its social housing stock to this body, as well as responsibility for administering the common housing register. The city retains responsibility for funding and regulating social housing providers within its boundaries, including ultimate responsibility for the common housing register although, as we have seen, this is operated by Housing Connections, a stand-alone incorporated entity. The new institutional arrangements have required a renegotiation of roles and responsibilities between Housing Connections and the city of Toronto. As indicated in some of our interviews, this has created confusion for housing providers and client advocates about some areas of policy and procedures.

The province of British Columbia, unlike Ontario, has retained responsibility for social housing. The bilateral Social Housing Agreement with the federal government was signed in June 2006, covering about 50,000 social housing dwellings, around half of which were already administered by the province (Canada Mortgage and Housing Corporation 2006). BC Housing, the provincial housing authority, remains as the government agency with administrative responsibility for funding and regulating social housing, including non-government providers, other than some Indigenous and cooperative housing. It directly manages a small amount of public housing, but most

\(^{30}\) These Social Housing Agreements replaced all previous agreements between the federal government and the provinces/territories, i.e. various social housing programs developed over time, each with its own financial and management arrangements.

\(^{31}\) Responsibility for some federally funded cooperative housing was maintained by the federal government and not transferred to the provinces.

\(^{32}\) Designated service managers under the Social Housing Reform Act 2000 are municipalities and District Social Services Administration Boards, which are responsible for units let at ‘Rent Geared to Income’ rents.
social housing in the province is owned and managed by various types of not-for-profit providers, unlike in Toronto where Toronto Community Housing Corporation is by far the biggest provider.

In view of this different context, participation by housing providers in the BC common housing register (the Housing Registry) is voluntary; to date it has been a partnership driven process between BC Housing and not-for-profit providers, based on a formal agreement but with no legislative basis, and administered by the province. Interest and support from the sector has been cultivated over time. A Housing Registry Council was formed, an unincorporated group with representatives from providers, client advocates and other stakeholders which helps to promote the idea to the rest of the sector. This approach has seen incremental development, with a minority of providers participating.

In the UK with its traditional unitary system of government, social housing has been the responsibility of the lower level of government, local authorities, within national legislation and statutory guidance. There was a 'long held view that whilst central government may legislate and guide, allocations policies should be determined and applied locally' (Stirling and Smith 2003: 146). Since 1997, devolution of powers to the Scottish parliament, and to a lesser extent in Wales and Northern Ireland, has resulted in greater diversity between jurisdictions than previously, and consequently greater interest by jurisdictions with newly devolved powers in social housing applications/allocations.

The new Scottish parliament is empowered to legislate on a range of devolved matters, including housing. Among its first legislation was the Housing (Scotland) Act (2001) which provides the statutory basis for funding and regulating social housing and homelessness responses. The broad framework of the social housing system is in many ways similar to the rest of the UK, still based on local authority areas, but there are some key differences. For example, the legislation includes a power to mandate common housing registers, unlike in England, but thus far the Scottish Executive has opted for a voluntary approach, as we will discuss further below. In our study sites, reforms to social housing applications/allocations have to be understood in terms of the changing dynamics between central government and local authorities in England and between the Scottish Executive and local authorities in Scotland.

Common housing registers in England, Scotland, Ontario and British Columbia can thus be seen as a means by which higher levels of government seek to keep some control of the parameters for access to social housing, whilst devolving responsibility for management to lower levels of government. In all the jurisdictions studied, common housing registers have attempted to achieve some commonality in the face of increasing diversity in social housing provision as a result of changes in institutional settings. A key issue for Australia is whether current institutional arrangements are likely to change such that higher levels of government will see common housing registers as a necessary tool to achieve more coordinated and transparent access arrangements to social housing managed by an increasing diversity of providers.

7.1.2 Legislation

In most jurisdictions, the reforms are not mandated by specific legislation, relying on encouragement by governments rather than compliance measures. There are two exceptions to this which concern common housing registers. As we have seen, the

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34 As Stirling and Smith (2003: 146) indicate, this point should not be over-emphasised; increasing diversity in policies about access to social housing also reflects other factors, such as changes in the level of local demand.
common housing register in Toronto differs from all others in the study in that it is compulsory in practice. It also has the largest number of housing providers (185), perhaps reflecting the difficulty of getting so many providers to agree on the design and operation of a common housing register through a voluntary process. Although the provincial legislation mandating common housing registers came into effect in 2001, the common housing register in Toronto has essentially had a staged implementation. Its forerunner was established to manage the application processes when the two former municipal providers and one provincial housing provider amalgamated. This infrastructure was used as a foundation for the establishment of the Housing Connections common housing register, which then increased its mandate to manage common wait lists and application processes for the non-government providers in the city. Thus, a common housing register was being developed anyway, although the legislation making it mandatory both speeded up the process of implementation and ensured that all providers, other than those with specific exemptions, were involved.

In the other example of compulsory common housing registers, the Housing (Scotland) Act 2001 (Section (8)1) required local authorities, when requested to do so, to ‘prepare and submit to the Scottish Ministers proposals for establishing and maintaining a list of applicants for housing to be kept jointly by or on behalf of any two or more housing providers in connection with the allocation of housing held by this for housing purposes’. In practice, this provision has not been invoked and a voluntary and cooperative approach has been taken.

There is no specific legislation mandating the introduction of choice-based lettings or local allocations policies. However, they must meet the requirements of other relevant legislation, such as that which makes it illegal to discriminate on the basis of attributes such as gender, disability and cultural background.

In England and Scotland there is also other national legislation, which is significant. In England, the Housing Act 1996, as amended by the Homelessness Act 2002, requires local authorities to give ‘reasonable preference’ to certain groups of applicants. It also requires them to provide information on their policies about choice, gives legislative authority to choice-based lettings schemes, removes the requirement to keep a statutory housing register (although local authorities may still do so), defines grounds for exclusion from social housing, and enables local authorities to determine additional preference categories beyond the mandated ‘reasonable preferences’ (Marsh et al. 2004: 27). The central government produces compulsory Codes of Guidance for local housing authorities on allocations to ensure that this legislation is adhered to in policy and practice.

Thus, in England, this legislation affects the operation of choice-based lettings as well as traditional administrative allocations systems, as priority has to be given to those with ‘reasonable preferences’ as defined in legislation. Such households are either given a ‘high banding’, high number of points or a time-limited priority card. Some pilot choice-based lettings projects used quotas to ensure that people on the wait list could apply successfully, but there are strong legal and financial pressures to house homeless people, including a desire for the local authority not to have to pay for their temporary accommodation, which can be expensive. Local authorities are also cautious after a Court of Appeal decision, prior to the legislative amendments in 2002, which found that an allocations scheme run by the London Borough of Lambeth was

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35 Reasonable preference has to be given to homeless people, people living in insanitary or overcrowded housing or unsatisfactory housing conditions, people who need to move on medical or welfare grounds, and people who need to move to a particular locality in the district of the local authority where failure to meet that need would cause hardship to themselves or others (Stirling and Smith 2003: 149).
unlawful because in its priority band it mixed people entitled to reasonable preference with those who were not, and because there was no mechanism for cumulative reasonable preferences for those who had an entitlement in more than one category (Mullins and Pawson 2005).

In Scotland, there is a stronger ‘rights-based’ approach to homelessness than in the other jurisdictions in our study. The Housing (Scotland) Act 2001 requires local authorities to ensure that people who are assessed as having a priority need and unintentionally homeless are entitled to permanent accommodation, and provides that RSLs must agree with a local authority’s request to provide such accommodation unless there is ‘good reason’ not to. The Homelessness (Scotland) Act 2003 takes this further by broadening the groups considered to be in priority need of housing assistance and states that homeless people will automatically be considered to be in priority need by 2012 without a separate assessment, i.e. the priority need category will be abolished (Scottish Executive 2005).

In Australia, as in Canada, there is no specific legislation, and governments have developed homelessness strategies and homelessness assistance programs which are funded and administered separately from social housing. A second key issue for Australia in assessing the feasibility of all three reforms investigated in our study is whether, and to what extent, these create opportunities for, or barriers to, homeless people wishing to access social housing and whether any change to the institutional settings and/or legislation would be required to ensure that homeless people and others with complex needs would not be disadvantaged by such reforms.

7.1.3 Social housing, income support and rents

One of the key differences in institutional settings between Australian and the other countries in our study is in how assistance is provided to the vast majority of social housing tenants who need assistance with paying their rent. In England and Scotland, whilst there is increasing diversity in social housing provision, there remains a uniform national system of Housing Benefit which assists households in paying the ‘property rent’ of their social housing dwelling.36 From this perspective, it does not make any difference to the applicant whether they are housed by a local authority or another social housing provider, they will still be able to access Housing Benefit. In addition, the provider will receive the full property rent, i.e. tenant rent payment plus Housing Benefit. Thus, applicants to a common housing register do not have to worry about the effects of their preference of social housing provider on the rent they will pay. Likewise, households bidding for individual dwellings under choice-based lettings schemes can do so with certainty about their entitlement to Housing Benefit. Social housing providers can select applicants with assurance that Housing Benefit will deal with the affordability dimension of their tenancy and do not have to worry about the implications of tenant selection on their revenue.

In Canada, the situation is more complex, but in essence the difference between the rent charged to the household based on income (‘Rent Geared to Income’) and the market rent for the property has always been factored into intergovernmental funding arrangements. Prior to devolution, the federal and provincial/territory governments had cost-sharing arrangements through which social housing providers were reimbursed for revenue foregone through the RGI rent system, separate from the subsidy system for ‘bricks and mortar’. Since devolution the situation varies between provinces/territories. For example, in Ontario rent foregone due to RGI rents is one component of quite complex financial arrangements between the relevant provincial

36 Housing Benefit is a national scheme funded by the UK government with national regulations but is administered by local authorities.
department, the local service managers (municipalities) and housing providers. RGI subsidy is one factor in the calculation of subsidy and profit sharing arrangements and generally lasts for the duration of the period during which the housing provider has to pay mortgage costs on the property, assuming that social housing is debt financed. As the costs of RGI are effectively met under these arrangements, it does not matter to individual applicants which provider they state a preference for in their common housing register application; they will pay the same rent. Neither does it matter to the provider which applicants they house as the revenue shortfall will be factored into these subsidy arrangements.

In Australia, households pay rents which are calculated differently depending on social housing provider. For public tenants, there is an established system of rents based on income using established affordability benchmarks, usually termed a ‘rebated rent’. The difference between the rebated rent a household pays and the property rent has to be absorbed internally by the public housing agency. In the context of strict targeting to households on the lowest incomes and with the most complex needs, this is the major reason why public housing agencies are no longer financially viable (Hall and Berry 2004).

Arrangements for households renting from community/affordable housing providers vary considerably. In some cases, rents are paid as per public housing, with the state or territory providing an operating subsidy, although this type of arrangement is being phased out. In most cases, rents are charged based on receipt of additional income through Rent Assistance from the federal government, using an income-based formula or some form of discounted market rent. Applicants to a common housing register would have to be informed about, and consider the implications of, these rental arrangements in stating a preference for a social housing provider. Similarly, providers might consider the effect on their rental revenue when selecting a household for one of their properties. This meshing of de facto income support functions with social housing rent policies is quite different to the other countries in our study and poses a considerable barrier to the development of common housing registers and choice-based lettings in Australia.

7.2 Policy levers

7.2.1 Financial and other resourcing by governments

Government financial and other support was a critical factor in the development and implementation of two of the reforms considered in this study: common housing registers and choice-based lettings. Local allocations policies, by contrast, are primarily local initiatives with no government support or resourcing.

The Scottish Executive has promoted and provided financial and other resources for the development of common housing registers. In March 2001, it released a National Framework for Common Housing Registers (Scottish Executive 2001a) and appointed a National Coordinator and Information and Communications Technology Facilitator to promote and resource their development. The National Framework included an initial funding package of £2 million (A$4.8 million) to assist with the establishment costs of common housing registers in six local authorities. The major financial contribution was from a successful bid to the UK government’s ‘Modernising Government’ funding, but there were a number of other contributors, including the local authorities themselves (Scottish Executive 2001a: 7). Following the pilot schemes, a further short-term

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37 There are two types of rent setting in the community housing sector: some providers charge rent as a percentage of income (including RA), whilst others charge RA plus a percentage of income (not including RA).
package of funding comprising £3 million (A$7.2 million) over two years, 2004-06, has been made available for other local authorities to develop common housing registers.

The Executive has also produced a range of resource material with an emphasis on learning from experience and establishing ‘good practice’, including:

- A review of common housing registers in England (Scottish Executive 2001b);
- A series of ‘factsheets’;
- ‘Newsletters’ which emphasise learning from the experiences of the pilot projects and sharing good practice;
- Guidance for regional and national RSLs using common housing registers (Scottish Executive 2002);
- A detailed practitioner’s guide to building a common housing register (Scottish Executive 2004);
- A very detailed account of the development of common housing registers in ten case study areas in Scotland (Scottish Executive 2006).

In contrast, implementation of common housing registers in England is voluntary and to a large degree a ‘bottom up’ process with little involvement by the national government. Local authorities generally drive implementation and rely on incentives to encourage RSLs to participate, including leading/resourcing development and subsidising the implementation and information and technology costs that are not covered by grants from the national government.

Choice-based lettings in England have been heavily promoted and supported by the national government as part of a broader policy agenda of promoting consumer choice in public services. Whilst a few early choice-based schemes were developed locally based on knowledge about the success of the Delft model, they were subsequently promoted by the central government, initially through 27 pilot projects to assess providing choice in different housing markets (2001-03). In 25 of these, their main objective was introduction of an advertising model similar to the Delft model; one was mainly about the electronic provision of information on housing options; whilst the other piloted a web-based system for forming ‘vacancy chains’ in social housing, similar to those found in the home ownership sector (Marsh et al. 2004).

The Office of the Deputy Prime Minister provided £11 million to support the pilots, with another £2 million added later (Choicemoves 2000), approximately A$31.2 million in total. In 2002, before the pilots had been evaluated, the UK government announced that 25 per cent of local authorities in England and Wales should have choice-based lettings in 2005, and 100 per cent with some sort of choice-based scheme by 2010 (Marsh et al. 2004: 22). In 2005, separate funding for regional and sub-regional schemes in England was announced, totalling £4 million (A$9.3 million) over three years (2005-06 to 2007-08). Funds available are a maximum of £100,000 (A$240,000) per scheme, which can cover up to 60 per cent of costs. This indicates that the cost of developing a regional or sub-regional scheme (information and communications technology, project management, training, consultation and dissemination) is £167,000 (A$400,000) (Department for Communities and Local Government 2006b).

The UK government also provided substantial additional resources to local authorities and RSL partners in setting up choice-based lettings, including:

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38 Local authorities were invited to bid for funding as a pilot project, with 27 of 91 bids being successful (Marsh et al. 2004: 22).
- Newsletters produced by the Department of Transport, Local Government and the Regions, and its successor the Office of the Deputy Prime Minister (2001-05), outlining progress, new developments etc.;
- Funding for the Centre for Comparative Housing Research at De Montfort University (Leicester) to provide a Support and Advice Service, including a website, weekly e-zine through subscription, program of seminars/workshops and a help desk;
- Voluntary guidance on ‘Implementing and Developing Choice-Based Lettings’ issued by the Office of the Deputy Prime Minister (Brown et al. 2005).

There have been a variety of workshops, seminars and conferences run by, and for, organisations such as the Chartered Institute of Housing and the Housing Corporation, as well as funding for the two evaluations that we discussed in Chapter 6, a process evaluation (Marsh et al. 2004) and an outcomes evaluation (Pawson et al. 2006).

_The lesson from this experience for Australia appears to be that considerable government resourcing is required in the development and implementation phases of major reforms such as common housing registers and choice-based lettings, particularly where they involve a variety of stakeholders and rely on voluntary cooperation and joint working rather than being imposed by a higher level of government. Such support appears to be essential in Australia where community/affordable housing providers are generally very small and have few resources to commit to developing these types of reforms. The costs of this type of resourcing both directly, and indirectly via not-for-profit providers, have to be weighed against the possible benefits of the reform._

### 7.2.2 Nomination rights

An important issue in implementing common housing registers, and to a lesser extent choice-based lettings and local allocations policies, is the extent to which governments have negotiated, or wish to negotiate, who can access a proportion of vacancies of not-for-profit providers. In both Canada and the UK these arrangements are widespread and are referred to as ‘nomination rights’; they have been a response to a multi-provider social housing system. In Australia, where public housing authorities retain the dominant role in social housing, they exist only for specific local projects, typically when a partner organisation has donated land or other resources.

In contrast, almost all new investment in social housing in British Columbia since the mid-1980s has been through the not-for-profit, non-government providers so that, by the time of federal devolution of responsibilities in the late 1990s, most social housing in the province was managed by the not-for-profit sector. Under the terms of their funding agreements, non-government providers and housing cooperatives were required to allocate 25 per cent of their vacancies to applicants nominated by the province. Our interviews indicate that the nomination process was unpopular with housing providers who perceived the province was ‘dumping’ them with problem tenants, while client advocates raised concerns about fragmentation and lack of transparency in access arrangements. Operating (funding) agreements identified target groups and required transparent allocations within eligibility and occupancy standards. However, they did not specify how priority in allocations decisions should occur, which led to perceptions that providers were ‘cherry picking’. Providers countered by arguing that their allocations were designed to create a mixed tenant group as an intentional community building strategy.

It was largely in response to these issues that BC Housing decided in 1998 to introduce a common housing register from which providers could allocate vacancies.
Initially, development was led by the not-for-profit sector due to concerns about increased control by BC Housing. However, feasibility work indicated high costs, and not-for-profit providers did not want to pay for a service that, in effect, had previously been provided by BC Housing through the nomination process. It was therefore agreed that BC Housing would manage the common housing register.

The scheme has seen incremental development, with a minority of the province’s providers currently participating. This is in part due to the limited resources available and the limitations of the information and communication technology system, which was developed as an interim arrangement to get the scheme operational. A new information technology system has been developed and recently went live. Recruiting of new providers was suspended until this was operational and the intention is now to encourage increased participation in the scheme.

Similarly, Housing Connections in Toronto already had relationships with non-government providers by virtue of the ‘nominations’ process, which required them to allocate a percentage of their vacancies to applicants nominated by the city or by the province of Ontario. These arrangements have been able to be met within the common housing register.

Common housing registers have been a feature of the English social housing system for more than a decade and their use is very widespread, although they are neither mandatory nor universal. Implementation has generally been facilitated by local authorities in an effort to meet their statutory responsibilities for strategic housing matters and homelessness. Common housing registers in England build on a long-term policy of ‘nomination rights’ under which RSLs have been required to allocate a percentage of their vacant properties to applicants nominated by local authorities. The use of common housing registers is widely accepted as a necessary and good approach to ensuring transparent allocations practices and integrated access for applicants within a multi-provider system.

The issue for Australia appears to be that new funding for social housing is going to the community and affordable housing sectors, while applicants continue to apply for public housing which is declining slowly in terms of stock numbers and more quickly in terms of vacant units available for allocation (Hulse and Burke 2005). State and territory housing agencies want to ensure that households on the public housing wait lists can also access other types of social housing which are financially supported by governments. Common housing registers appear to be a means of achieving this, along with other projected benefits such as streamlined access for households, greater transparency and better information for planning. The question for governments in Australia is whether a stand-alone system of nomination rights, or a system of nomination rights facilitated by a common housing register, would be most cost effective in meeting their objectives. For non-government providers, the prospect of a formal nominations system in whichever setting raises issues of provider autonomy and independence. The findings from the study sites overseas suggest that there is a delicate balancing act between making access to housing simpler, fairer and more transparent, and supporting diversity and choice in social housing provision.

7.3 Housing submarkets and geographic areas

7.3.1 Size and composition of the social housing sector

Canada, England and Scotland, like Australia, are experiencing increasing demand for social housing which is associated with reduced turnover of properties, modest

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39 A survey by the Association of Metropolitan Authorities in England found seventeen common housing registers in operation by early 1995 (Craigforth 2002: 28).
decrease in supply, and decreasing affordability in the private rental and home ownership markets. In all the UK sites visited, except London, social housing stock is continuing to be reduced as a result of tenants purchasing dwellings under the ‘Right to Buy’ scheme. Temporary or permanent stock loss is also a feature of both the Canadian and UK systems due to demolition and redevelopment of estates.

In this context, social housing is an increasingly valued resource, which makes equitable access and transparent rationing policies an imperative. While the size of the social housing system differs between countries, the mismatch between demand and supply results in similar outcomes, including increased prioritisation of high needs applicants and long wait times for those deemed to have lesser priority.

Despite these common factors and trends, there are substantial differences in the size of the social housing sectors in the countries in our study. In England, social housing comprised 19 per cent of all dwellings, 8 per cent RSL and 11 per cent local authority in 2003 (National Statistics 2003). In Scotland, 27 per cent of all dwellings in 2005 were social housing, 11 per cent rented from RSLs and 16 per cent from local authorities (Shelter 2005). The consequent volume of allocations in English and Scottish social housing is thus much greater than in Australia where in 2004-05 there were only 27,776 new allocations to public housing and 8,793 new allocations reported to community housing funded under the CSHA. The social housing sectors in England and Scotland are also much more diverse than in Australia. There has been a dramatic reduction in local authority housing and a marked increase in the RSL sector due to large-scale voluntary transfer of local authority housing to non-government providers, as well as new investment being directed primarily to the non-government sector.

The relative size of the social housing sector in Canada is similar to that of Australia, at about 6 per cent of dwellings, although Toronto Community Housing Corporation, the major provider using the Housing Connections common housing register, is Canada’s largest landlord and the second largest social housing provider in North America (Toronto Community Housing 2003). As we have seen, the composition of the sector is generally quite dissimilar to Australia, with one-third public housing and two-thirds various types of not-for-profit and cooperative housing (Hulse 2003), compared with the Australian social housing sector where more than 90 per cent of dwellings are public housing (Hulse and Burke 2005).

These basic differences in the size and composition of social housing sectors in the overseas jurisdictions in our study compared to Australia raise two further issues in considering the feasibility of transfer of policy ideas about improving access to social housing. Firstly, the costs and benefits of developing, implementing and operating reforms such as common housing registers and choice-based lettings must be assessed in view of the much lower volume of allocations in Australia. Secondly, currently at least, the lack of larger community/affordable housing providers with a substantial volume of allocations, compared to overseas jurisdictions, may also affect this cost benefit analysis.

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40 In 2002-03, housing associations in England made approximately 158,569 allocations (Housing Corporation 2003).
41 Data on public housing refer to new households allocated housing in all Australian states and territories 2004-05 (Steering Committee for the Review of Government Service Provision 2006: Table 16A1). Data on community housing are from the same source (Table 16A.15), but exclude data from the Northern Territory and are heavily qualified.
7.3.2 Housing submarkets

A key message from the research is that reforms to improve access to social housing cannot be considered in isolation from other housing market factors. In particular, access to social housing occurs within housing submarkets, defined by elements such as location, tenure, type and price (Tu 1997; Bourassa et al. 1997). Whilst there are some complexities with the concept and application of housing submarkets, such as defining the ‘boundaries’ (Goodman 1981; Rothenberg et al. 1991), the concept has enriched the analysis of private market dynamics. Despite widespread use elsewhere, the submarket concept has been neglected within social housing analysis. Indeed, many assume that the notion of ‘market’ is irrelevant (and, by extension, ‘submarkets’). Areas in which social housing are located nonetheless do differ in key attributes such as location, type, condition, amenity and tenants’ perceptions of liveability. As we saw in Chapter 5, households can still express choices even in administrative systems in social housing, for example, through wait lists, refusals and exits. Nonetheless, policy on public housing in particular is often analysed and discussed as though comprising one monolithic system experiencing the same pressures and problems across the board. As a result, estate renewal programs aside, insufficient attention is given to initiatives and reforms designed to respond to a system with differentially performing submarkets.

One of the issues in all our study sites was the extent to which reforms to improve access to social housing were effective in, and could be customised to meet the needs of, different housing submarkets. In effect, local allocations policies are designed to do precisely this. One of the key questions that the choice-based lettings pilot projects in England were designed to test was whether this approach could work in submarkets with differing levels of demand for social housing. The process evaluation found that projects had been successfully implemented in both high and low demand areas, resulting in improved relations between landlords and applicants, and customer service and satisfaction. It commented specifically that:

most pilots in high demand areas concluded that CBL [choice-based letting] is worthwhile even when relatively few households are houses and those households are mostly in priority need (Marsh et al. 2004: 10).

A crude measure of the demand for housing is the number of annual allocations as a percentage of households on the wait list. In the choice-based lettings pilots, this varied from 18.3 per cent (average) in London to 62.1 per cent in northern England, 47.3 per cent in the Midlands, and 31.2 per cent in the south-east and south-west (Marsh et al. 2004: 37, Table 3.1). The equivalent figure in Australia is 14 per cent, indicating high demand overall, although with considerable variation between areas.

The experience of the pilot projects in England in different housing submarkets suggests that choice-based letting could work in Australia, despite the relatively smaller social housing stock, if the currency used reflected the level of demand in a particular submarket. In effect, this would mean segments/bands or priority points as the currency in high demand areas, and date order/priority systems in lower demand areas. The implication is more diversity in access to social housing to reflect the conditions in particular housing submarkets, rather than a ‘one size fits all’ system for a jurisdiction.

7.3.3 Geographic areas

In the development and implementation of the reforms to social housing applications/allocations considered in this study, it was usually taken for granted that the basic geographic area for considering access to social housing was that of a local authority area. Whilst these varied considerably in size and population, from Royston
in Glasgow to the large area covered by the city of Toronto (akin to the city of Brisbane area), in the UK at least, local government areas had been traditionally the basic unit of social housing management. This is clearly not the case in Australia where social housing management has been organised on a state and territory basis, albeit with some functions devolved to area and regional offices which may cover one or more local government areas and sometimes cut across them.

In England and Scotland, the implementation and operation of both common housing registers and choice-based lettings schemes has raised issues about what is the appropriate geographic area for applications/allocations systems in social housing. In moving forward from the pilot projects, the UK government indicated that: ‘Housing markets do not follow local authority boundaries. We are therefore keen that choice-based lettings schemes should operate sub-regionally or regionally’ (Office of the Deputy Prime Minister 2005a: 44). As we have seen, the government is now investing a further £4 million over three years to support the development of choice-based lettings for combined groups of local authorities.42 Voluntary guidance on choice-based lettings in England suggests that these aim at ‘breaking down artificial local authority boundaries by developing schemes based on real housing markets’ (Brown et al. 2005: 50). Thus, the effect of choice-based lettings is to challenge the long-established geographic unit for social housing applications/allocations in England. One view is that this effect is not incidental, but that the introduction of choice-based lettings, along with rent restructuring in social housing and reforms to Housing Benefit, is a reflection of centralisation of control by the central government and away from local authorities, rather than about decentralisation and empowerment of the consumer (Marsh et al. 2004: 205).

We have already seen that local authority based common housing registers can pose challenges for regional and national housing associations that operate across many areas. One response has been the evolution of some common housing registers based on a combination of local authorities where people regularly cross boundaries to move between where they live, work and carry out other daily activities.

The findings from our research suggest that the area for local allocations policies will generally be quite small, based on building or estate/neighbourhood. The area for a common housing register or choice-based lettings will be larger, corresponding to submarkets in which people are likely to search for housing. Burke and Wulff are currently conducting a project for AHURI on ‘Submarkets in Public Sector Housing’ (project no. 50347).43 This aims to investigate the conceptual and empirical possibilities of extending the conventional idea of housing submarkets to include the public housing sector. In an Australian context, the issue of what type and size of geographic area would be the focus of any of our three reforms is an important one, particularly given the relatively low levels of stock spread across large regional areas.

### 7.4 Summary

In this chapter, we have shown how reforms to improve access to social housing have been embedded in particular institutional settings and shaped by specific policy levers in England, Scotland, Ontario and British Columbia. These reforms rarely occur in isolation; they are typically part of broader change, including renegotiation of the responsibilities of different levels of government, and legislative changes both directly in respect of social housing and as part of a more general government agenda, such

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42 Two rounds of bidding for regional and sub-regional lettings have taken place. Two of our study sites were involved in successful bids in the first round: Greater Manchester and Home Choice West (Bath, Bristol and two other local authorities) (Office of the Deputy Prime Minister 2005b).

as introducing consumer choice into publicly funded services. They also have to be considered in the context of the size and composition of the social housing sector and its role in particular submarkets.

Some of the key issues that require considering in assessing the applicability of these reforms in an Australian context include:

- Whether the reforms would be part of any change in institutional settings for social housing provision;
- Whether the legislative and regulatory framework in Australia is able to ensure access by homeless and other vulnerable people;
- How reforms such as common housing registers and choice-based lettings would deal with different types of government assistance with housing costs and different rent setting models in Australian social housing;
- Which level(s) of government would have the resources, skills and legitimacy to provide the necessary financial and other support, particularly in the development and implementation stages;
- Whether such reforms are necessary if the real agenda is to introduce more formal systems of ‘nomination’ rights by government over access to not-for-profit housing;
- Whether the costs would be offset by sufficient benefits in a small social housing sector, dominated by public housing providers, unless there is significant change in the institutional settings that would produce a more diverse sector;
- How appropriate geographic areas for these reforms could be determined, particularly in view of increasing evidence about the differential operation of housing submarkets.
8 CONCLUSION (PART A)

Reforms to social housing in Australia, the UK and Canada have been framed in different policy paradigms: welfare service delivery (common housing registers), sustainable communities (local allocations policies) and consumer choice in public services (choice-based lettings). None of these reforms can address the underlying problem of insufficient social housing to meet demand and must operate in conjunction with some sort of service rationing, typically through prioritisation systems that reflect the circumstances of particular housing submarkets.

The evidence from our field work in the UK and Canada is that common housing registers have been successfully implemented in a variety of institutional and policy settings, although not without some difficulties and delays. Local allocations policies are often applied at a practice level rather than as a policy reform, although there are examples of more explicit processes for developing and monitoring such policies. Choice-based lettings have been successfully implemented in England (and Scotland) as a major reform to social housing, operating in different types of housing markets.

Evidence on the outcomes of these reforms suggests that common housing registers are generally considered a positive development by those working in the social housing sector in the jurisdictions in our study. There is, however, surprisingly little hard evidence about the views of households and whether projected benefits for social housing providers are realised. Similarly, there is little evidence about the outcomes of local allocations policies. In contrast, evaluations of choice-based lettings have documented a range of benefits in terms of household satisfaction and efficiencies for providers, particularly for government housing authorities in reducing vacancy costs. Some questions remain about whether apparent improvements to the sustainability of tenancies and local areas will be realised in the longer term.

Each type of reform encompasses multiple models and many variations, and there is no single template that can be transferred into another country such as Australia. The overseas reforms that we have investigated are embedded in different institutional and policy contexts to that of Australia. Understanding these differences is essential in assessing whether, and to what extent, they are applicable in an Australian context.

Both common housing registers and choice-based lettings are resource intensive, particularly at the development and implementation stages, requiring financial support, people with the requisite skills, and appropriate information and communication technology systems. They involve new processes, but also new products in the form of technology systems.

Finally, our research highlighted that the reforms involved considerable cultural change. This entailed thinking differently about how households access social housing, rather than a traditional property allocation perspective. It also involved a commitment to obtaining, producing, coordinating and sharing better information – to prospective applicants and applicants, between social housing providers in an area and other interested parties, and between governments. Such cultural change appears to be a prerequisite for thinking through some of the complex issues discussed in this report.
PART B

9 COMMON HOUSING REGISTERS IN THE UK AND CANADA: DEVELOPMENT, IMPLEMENTATION AND OPERATION

In this chapter we present findings about the development, implementation and operation of common housing registers in England, Scotland and Canada, based on interviews conducted and documentary evidence collected during the field research in stage two of the project as discussed in Chapter 3. Table 5 provides a brief summary of agencies in the study sites, showing how they vary substantially in scope, context, number and type of partners, the degree to which they have both choice-based and common housing register systems or one of the two systems only, and in legal and administrative arrangements.

Table 5: Common housing registers and choice-based lettings in study sites in England, Scotland and Canada

<table>
<thead>
<tr>
<th>ENGLAND</th>
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<tbody>
<tr>
<td>HOME CONNECTIONS is a separately incorporated, fully owned subsidiary of Camden Borough Council in London and was established to manage the borough’s choice-based lettings scheme, one of the 27 pilot projects in the national program. It is a highly sophisticated web-based letting service and now contracts to a number of other local authorities and RSLs in London and across the UK. Home Connections does not manage the common housing register but is electronically linked so that it can advertise vacancies from either common housing registers or the wait lists of individual housing providers. In May 2005, Home Connections joined with East London Lettings Company, another choice-based lettings pilot project. Home Connections was also involved in developing choice-based lettings for the Birmingham City Council and related RSLs. It uses the web to provide information including photos of properties, virtual tours of properties, and maps with information on nearby transport, schools and other community services.</td>
</tr>
<tr>
<td>HOMESEEKERS is a choice-based lettings scheme combined with a common housing register administered by the Bath and North East Somerset (BANES) local authority in rural south-west England. The choice-based system was a pilot project in the national program and operates in an area of very high demand. Hard copy bulletins detailing vacant properties are sent to registered applicants who are near the top of their band on the wait list and have listed the area among their choices so that applicants can express interest in individual properties. It includes the local authority and 25 RSLs with about 15,000 dwellings; however, only three-quarters of housing association vacancies in the area are made available under the scheme.</td>
</tr>
<tr>
<td>HOMEFINDER is a choice-based lettings scheme and common housing register administered by Manchester City Council. The scheme includes nineteen partners and 73,210 out of 81,556 housing units in the local authority area. It was a pilot project in the national program. This is a web-based system with information about social housing, and applications for vacant properties, available online.</td>
</tr>
<tr>
<td>HOMESFORYOU is a common housing register and choice-based lettings scheme located in Bolton, north-west of Manchester. The scheme is administered by Bolton Community Homes Ltd, a not-for-profit company established by Bolton City Council. The scheme includes ten partners and most of the housing stock within the local authority area, about 19,000 local authority and 7,000 RSL dwellings.</td>
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</table>
SCOTLAND

EDININDEX is a common housing register administered by a discrete unit within Edinburgh City Council. It includes 27 partners and approximately 38,000 properties. In October 2005 there were 23,022 applications on the register. Between January and August 2003, 1,994 applicants were housed, which equals annual allocations of approximately 3,500. About 12 per cent of allocations are through providers other than the council.

EH YOUR KEY TO CHOICE is a choice-based lettings scheme that operates for City of Edinburgh council housing only. It can be used by those on the common housing register EdIndex which encompasses applications for council housing and 20 RSLs. Vacant council properties are advertised weekly online and in a supplement to the local evening newspaper which is also available free from council offices and libraries. Bids can be made electronically.

PERTH KINROSS COMMON HOUSING REGISTER is administered by the Perth and Kinross Council. This local authority is in a predominantly rural area covering 5,268 square miles and is a two hour drive north of Edinburgh. It has a population of approximately 135,000. The local authority owns and manages 75 per cent of the 11,222 social housing units, and the remainder are managed by 14 RSLs. Nine small RSLs manage between three and 100 units, five have more than 100, and the largest has 1,200 units.

ROYSTON COMMON HOUSING REGISTER operates in a suburb of Glasgow, is managed by the Blockairn Housing Cooperative, and includes the cooperative and two additional RSLs that operate in adjoining areas of Royston. It is the smallest scheme in the study with a total stock of only 1,059 units.

CANADA

HOUSING CONNECTIONS operates across the city of Toronto and is administered as a stand-alone incorporated entity, Access Housing Connections Inc., which was established by the Toronto Community Housing Corporation. It serves 185 social housing providers and has formal links with 15 access centres and 94 community services. In December 2004, there were a total of 68,224 ‘Rent Geared to Income’ units in Toronto (similar to rebated rents in Australia) of which 52,429 were managed by the Toronto Community Housing Corporation. This means the remaining 184 providers manage a total of 14,259. The wait list includes 47,620 applications.

THE HOUSING REGISTRY operates across the province of British Columbia and is administered by a unit within BC Housing, the provincial housing authority. Participation is voluntary, and only the BC Housing stock and a relatively small proportion of the province’s 43,300 social housing units and 650 providers are signed up. The province has been waiting for its recently launched information system to become operational before actively promoting participation.

The findings are presented below in a way that responds to questions raised by stakeholders in Australia in stage one of the project (see Appendix 1) and cover a range of design, development and operational issues. The legislative, institutional and policy settings in which common housing registers in these three countries are located are important in considering applicability to Australia; these settings are discussed in detail in Chapter 7.

9.1 Scope

Common housing registers in the sites visited generally only provide access to social rental housing, although there are limited examples of them being used for access to private market products that have similar features to social housing such as security

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44 As at June 2006, there were 49 registry members, of which 40 were social housing providers. The registry covers 17,663 units, of which 7,800 are public housing units managed by BC Housing, 9,662 units managed by not-for-profit societies and 201 units in housing cooperatives (Housing Registry (2006) Registry Insites, electronic newsletter, 24 July).
of tenure and subsidised rent. The rest of this section examines the extent to which common housing registers encompass specific types of social and affordable housing.

9.1.1 Crisis and transitional housing

None of the common housing registers in the sample manage applications for crisis accommodation. In the UK, access by homeless people to crisis accommodation is primarily brokered through specialist homelessness units located in local authorities which are legally required to provide housing assistance to people meeting the criteria of ‘statutory homelessness’. This situation is quite unlike that in Australia where no such legal requirement exists. Some clients, particularly those not deemed as meeting the criteria for ‘statutory homelessness’, directly access welfare services providing crisis accommodation. The concept of transitional housing in use in parts of Australia is not widespread in the UK, although some RSLs operate boarding house or hostel type accommodation providing rooms with shared facilities. In some cases, this is allocated via common housing registers.

In most local authorities in the UK, homeless people receive priority in access to social housing and there are generally strong links between the homelessness units and the common housing registers. Staff of the homelessness unit assist clients to apply via the common housing register and usually undertake the assessment to determine ‘homeless’ status. Priority access to social housing is seen as a way of freeing up vacancies in crisis shelters. It is common for ‘resettlement’ workers to provide support to clients in the transition from temporary accommodation to social housing by providing assistance to settle in and to acquire independent living skills.

In Canada, as in Australia, links between homelessness services and the social housing system are less direct. Some homelessness services in Toronto are involved as access centres, providing advice and assistance to their clients in applying for social housing through the common housing register.

9.1.2 Sheltered and supported housing

In the UK, social housing for older people that has resident wardens and some specialist supported housing, for example, for people with disabilities, may be included in the common housing register. Applicants have to demonstrate their need for the level of support provided to be considered for allocation to this housing. Assessments to determine need and eligibility are generally undertaken by specialist local authority staff, or expert panels facilitated by the local authority, and involving members from both housing and specialist welfare/health services. The purpose is to ensure both the housing and support needs are assessed and housing and support services are coordinated.

In Toronto, specialist and supported housing providers are either allocated status as an ‘alternative’ provider and excluded from participation in the common housing register or are awarded a ‘mandate’ that allow them to only house applicants who meet their specific eligibility criteria. Alternative providers are generally described as housing people who are ‘hard to house’, for example, those with complex mental health needs requiring high levels of support. Mandated providers are involved in assessing the eligibility of applicants for their services and assessing their needs.

9.1.3 Cooperative housing

Housing cooperatives are a common feature of social housing in Canada, and in Toronto are required to participate in common housing registers. There is some

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45 Assistance provided ranges from bed and breakfast accommodation to hostels and other types of crisis housing, as well as brokerage into longer-term social housing.
tension inherent in this arrangement, with cooperatives concerned that prospective tenants referred from the common housing register are not able or willing to meet the requirements of active participation in the cooperative. The most successful outcomes are achieved where:

- There is good information for applicants about the nature and expectations of housing cooperatives;
- Applicants have formal contact with the cooperative prior to being offered housing;
- Cooperatives have some discretion in local policies for matching applicants with vacancies;
- Cooperatives are required to document reasons for their allocations decisions.

9.1.4 Affordable housing

There is no direct comparison with the Australian concept of ‘affordable housing’ in the UK and Canada. In the UK, most RSL housing is financed through a mix of public subsidy and private finance and is considered to be social housing. Some RSLs have unsubsidised housing with rents close to market rates, which is generally managed through subsidiaries and is not allocated from the common housing registers. The voluntary nature of the system means that RSLs can negotiate the terms of their participation in common housing registers as long as they meet nomination requirements, and so some opt to exclude particular types of properties from the process.

In Canada, housing providers have a mix of ‘Rent Geared to Income’ housing (similar to rent rebates in Australia) and ‘market’ housing, which is rented at or near market rents. In Toronto and British Columbia, only the former is allocated from the common housing register; however, the availability of market housing may be promoted through the common housing register information strategies.

9.1.5 Indigenous housing

In Canada, most Indigenous housing organisations are federally funded and do not have close links with services funded by the provinces or local authorities. In Toronto, the federally funded Indigenous providers are not required to participate in the common housing register, but provincially and locally funded Indigenous providers participate as ‘mandated’ services.

9.2 Participation

There are various levels and types of participation in the common housing registers examined in this study. The primary form of participation is by social housing providers using the register to fill vacancies, although some schemes also involve non-provider community services as access points or as information and advice centres.

The number of providers participating in a common housing register varies greatly between the Royston scheme in Glasgow which involves only three partners and Housing Connections in metropolitan Toronto with 185 providers. The Housing Registry in British Columbia is aiming to sign up a large proportion of the 650 non-profit housing providers in the province. Most schemes in England are based on local authority areas and involve about 15 to 25 providers.

Providers have varying levels of involvement, depending on the common housing register model and their size. In most cases, larger providers tend to be full partners, which generally involves participation in governance structures, often a committee established by the local authority or an independent entity with partners voting for, or
participating on the board. Full partners generally have online information technology access as well as being an access point for application lodgements. In some cases they undertake identity and other verification processes, eligibility assessment and activating applications on the common system.

Smaller RSLs, including regional and national RSLs in the UK that have limited stock in the local authority area covered by a scheme, may accept applications and forward them to the common housing register. They vary in the extent to which they have system access to check and update applications and to access short lists for allocation purposes. They may ‘buddy up’ with a larger RSL to access the system when they have a vacancy. Alternatively they may request from the common housing register a short list to match their vacancy, which is downloaded by the scheme manager and forwarded to the provider by fax or email.

9.3 Operating a common housing register

In this section we report on our findings about the operation of common housing registers within the framework for considering social housing allocations system outlined in Table 1 and which guided the discussion of improvements to social housing in the workshops and interviews in stage one of the project.

9.3.1 Information and advice

Good information about housing options has been identified in overseas systems as a key success factor in the delivery of common housing registers. Potential applicants need to know how the system operates and to understand the privacy issues involved. They also need information about their available options in regard to providers, products and properties. Information about likely wait times, either in the form of vacancy rates or number of properties in an area, is crucial for making informed choices about preferences of location, property type and provider. Other key information includes rent levels and any special requirements, for instance, a housing cooperative’s requirements for member participation.

A wide range of housing information and advice strategies are used, including:

- Face to face services;
- Passive and interactive web-based information;
- Written materials;
- Phone helplines and call centres.

Face to face services may be provided by individual housing providers, regional public housing offices, a centralised common housing register shopfront or community-based access centres. Web-based information is becoming increasingly sophisticated in content and channels of access. For example, Edinburgh and Toronto provide a broader web-based information and advice system about the common housing register, housing options, locations and supply and demand profiles.

Several informants commented that written materials quickly become out of date and are best utilised for basic information and for flyers and promotions. Most larger operators provide some form of helpline service. Toronto has a call centre specifically to provide basic information about the system and to assist people in completing application forms. Access centres (office sites away from the common housing register base) are also utilised as shopfronts for advice and information. In Toronto these have publicly available computers for making applications and enquiries.
9.3.2 Registration and application

Common application forms

Common application forms are seen as an important element of common housing registers. It is reasonably usual for their development to take a considerable time, and there is a strong tendency for the initial form to be long (in one case, 32 pages) to meet the requirements of all providers and their different allocations and risk management policies. At the time of implementation, this was seen as important to achieve ‘buy-in’ by the partners and to protect the perception of autonomy. It is common for allocations policies to converge over time and for forms to be streamlined and shortened. Several informants recommend setting limits on variation and length at the initial stages.

Eligibility

Eligibility generally comprises system-wide criteria supplemented with provider-specific criteria. The system-wide criteria include various combinations of residency status, age, assets, income and tenancy history. In the UK and Toronto, criteria are less restrictive than in Australia as there is no income limit. Until recently, British Columbia’s eligibility was narrower than Australia’s and limited to seniors, families or single people on a disability pension.

Provider-specific criteria may relate to issues relevant to targeting such as disability, mental health, age, ethnicity and, for cooperatives, willingness to participate in management.

Verification

Verification of identity, residency status, income or assets is generally required as part of the application process to confirm eligibility and may need to be reconfirmed prior to offer. Common housing registers usually require verification prior to activating an application in the database. In some systems, only the central common housing register teams undertake verification and activate applications. In others, partner providers may undertake the verification and either activate the application or advise the central unit to do so.

Several schemes that originally had a decentralised approach to verification and activation have now centralised this task to ensure consistency and quality control, and also so that the documentation is checked and filed centrally prior to activating an application.

Exclusions

It is usual to exclude or defer applications from some categories of clients. In the UK, these tend to be previous social housing tenants with debts for rent arrears or property damage, and those who have exhibited anti-social behaviour. In Toronto, applicants guilty of fraud relating to declaring income are ineligible for social housing.

One consequence of increased cooperation and information sharing between providers is that information about applicants with negative tenancy histories is more likely to be shared. In several locations, this is available to all participating providers who can then decide whether to use it to screen applicants.

In most schemes, these applications are listed, but suspended, until the issue of concern is resolved. There is sometimes an agreed common approach to reinstatement that all providers adhere to, such as entering into a payment schedule for arrears or providing evidence of trouble-free tenancies for six or twelve months.
Household choice

Consumer choice is a much more prominent issue overseas than in Australia, especially in England where it is a key theme informing public sector reform priorities. It is embedded in policy and practice in a number of ways:

- A commitment to informed choice through access to good information;
- Specific initiatives such as choice-based lettings to shift practices from being bureaucratically driven to client focused;
- Greater flexibility to indicate preferences and refuse offers.

Increased choice is believed to be linked to higher levels of client satisfaction, more commitment to the dwelling and neighbourhood, improved sustainability of tenancies and greater labour market flexibility. However, it must be acknowledged that, for most people, choice is severely constrained by demand outstripping supply and the consequent long wait times, especially for those without designated priority. Chapter 5 provides an overview of choice-based lettings in the UK and the ways in which they link with common housing registers.

9.3.3 Wait list management

Wait list management may include verifying eligibility, registering applications and priority status, ranking applications, regularly reconfirming circumstances, updating changes in circumstances and preferences, suspending applications, providing an applicant or short lists of applicants to match vacancies, deleting applications following allocation, system administration, fielding enquiries, ensuring data integrity and security, monitoring allocations and reporting on activity and performance.

In the sites examined, most of these tasks are undertaken by a centralised team and many are automated within the design of the information technology system. While most schemes are established as centralised teams, those that were initially decentralised have moved to a centralised model to gain efficiencies and to ensure consistency through specialisation.

In most schemes, some wait list management tasks are undertaken by access centres, full partners and regional offices of the local authority or provincial housing services who have online access to parts of the system. These tend to be tasks that were automated, such as accessing short lists, or closely associated with face-to-face contact with clients, such as updating circumstances and preferences.

The overall conclusion is that wait list management requires some degree of centralised expertise and systems administration, depending on:

- Sophistication and design of the information technology;
- Level of skills and the training and resourcing available to the partners;
- Geographic spread of providers;
-Extent of common policy and practice between providers.

9.3.4 Determining order of access to housing

In England, there are a number of ways of determining priority of access to social housing, which are combinations of date order, bands (or segments) and points, systems that have all been used or are being used in Australian public housing. The Housing Act requires local authorities to give ‘reasonable preference’ to specified needs, and this translates into guidance also for RSLs. All systems have a process for prioritising at least some high needs applicants and providing priority of access.
Each approach has its advantages and disadvantages, and the choice of a particular one appears to result from a number of factors including local market conditions, local demand for social housing, the type, condition and location of housing stock, historical factors and local political preferences.

Date order ranking
The primary advantage of date order ranking is that it is transparent and easily understood by applicants and housing workers alike. Decisions are audited and applicants have an understanding of their place in the queue. One downside is that it does not allow priority access and therefore may be perceived as unfair when an applicant who is already well housed or in less extreme need gets housed before someone in more urgent need. This becomes a greater concern when demand is high, wait times become very long and access to social housing is perceived as having high value.

Banding or segmenting
To achieve policy objectives of housing people with high and/or urgent needs, it is common to create segmented systems with priority bands and to allocate within the bands on a wait turn basis. There are a range of approaches to segmented wait lists which include different numbers of bands and narrow or broad criteria within each segment. In some cases, segments are ranked high, medium and low priority, or categorised on the basis of specific needs, for instance, victims of violence, disability, health or homelessness. The basis for determining priority varies greatly.

Ranking by points
Allocating points to applicants according to their circumstances and needs and then ranking them based on their points score is a common approach to prioritising applicants in the UK. In spite of its popularity, there were many criticisms amongst those interviewed, including:

- Difficulty in explaining the system to applicants;
- It requires a subjective assessment of client needs;
- Arbitrary nature of how points are allocated and the weight given to different circumstances or needs;
- Negative effects for clients, and costs to the system caused by the propensity for applicants to ‘chase points’ by worsening or seeking continual reassessment of their circumstances.

The types of circumstances that attract points and the way points are allocated can have some unexpected outcomes which are difficult to explain to the applicants who may consider their overall need to be greater than another applicant with higher points. This can lead to client dissatisfaction, complaints and appeals which are resource intensive and politically sensitive.

Managing priority access in common housing registers
In the UK, the introduction of common housing registers meant that local authorities and RSLs agreed to allocate from a common register. In practice, many RSLs retain the ability to keep separate registers for some allocations, in particular, to transfer existing tenants within their portfolio or for management initiated transfers, for instance, to deal with a neighbourhood dispute or to vacate a property for upgrade or redevelopment. While some common housing registers, such as Housing Connections in Toronto, were established with common prioritisation policies, this was not widespread and providers tend to maintain their previous policies.
In Bath, Manchester and Edinburgh, local authorities manage the common housing registers, while partners continue to maintain separate prioritisation and matching policies. This is achieved by programming information systems to prioritise applicants according to all the partners’ prioritisation policies. In Bolton, the partners initially maintained different policies but agreed to move to a common policy following a review of the scheme. In London, Home Connections only manages the advertising of vacancies, with individual providers and local authorities determining priority. Future directions being proposed include sub-regional choice-based letting systems and some move to common prioritisation systems.

In Toronto, all providers must allocate from the mandated provincial priorities list first, and then the city of Toronto prioritises before drawing from the common housing register chronological list. British Columbia is able to provide short lists based on BC Housing prioritisation or in wait turn order. While providers can choose which list to allocate from, at least 25 per cent of allocations must go to applicants from the provincial priorities list.

The conclusion from this research is that providers are generally reluctant to give up their autonomy and control over prioritisation, but there seems to be a tendency towards increased commonality over time. There is also a strong tendency for providers to find ways of influencing allocations outcomes through the matching process, even within common prioritisation systems.

### 9.3.5 Matching households and properties

The approach to discretion at the property and tenant matching stage of the allocations process varies considerably. The first approach is to design the system to automatically calculate priority, whether through a common policy or a variety of policies specific to each partner, with partners agreeing to offer to the highest rated applicant. The partner must justify the reasons for not allocating to the highest priority applicant and this must be auditable in the system. In the second approach, the common housing register provides a short list of applicants and the partner uses their own policy to reprioritise and make offers. In this system, the allocation request will be lodged so there is still a high degree of scrutiny possible on final allocations outcomes.

### 9.3.6 Transfers

There are three main ways transfers are dealt with:

- Each provider manages their own transfers and only allocates the vacancy at the end of the vacancy chain from the common register;
- All transfers are listed on the register and are assessed for priority and allocated in the same way as new applications;
- Transfers are only listed on the register from applicants wanting to transfer to another provider or a location or type of stock not available from their current provider. Internal transfers are managed by the provider.

The choice of approach appears to relate to whether there is a consistent view amongst providers about the prioritisation of transfer applications. When transfers are held on the common register there seems to be a relatively flexible approach. In some areas there is a period, usually 12 months, following a relocation when tenants are ineligible to apply for another transfer. In reality, transfers are highly constrained because they are assessed according to the prevailing prioritisation policy and, where applicants do not meet priority criteria or list for a high demand area, they face substantial wait times before they are offered a new property.
9.3.7 Client rights: Privacy and appeals

Privacy is generally dealt with by obtaining written informed consent at the point of application, that is, for information to be shared with the providers but only those that the applicant has specified. This is generally accompanied by written information to applicants about how the system works and who the other providers are. Access to sensitive information such as that obtained through needs assessments may be limited to a ‘need to know’ basis. For instance, the category of priority may appear on the common housing register but details will only be available to providers when the applicant is short-listed for a vacancy.

Most systems have appeals processes in place and these may be either specific to the common housing register, statutory requirements or generic appeals processes of the local authority or provider. In Toronto, the service is required under provincial legislation to provide applicants with a ‘right to comment’ on certain negative decisions affecting them in the areas of eligibility, whether they meet special priority criteria and the size of housing unit they are entitled to. Clients have a right to appeal these decisions if they are not changed on the basis of their comments.

9.4 Implementation

9.4.1 Governance and accountability

Governance arrangements for common housing registers vary depending on who has overall responsibility for the service. The models include:

- Local authority controlled: Bath, Manchester, Edinburgh, and Perth and Kinross;
- Province: British Columbia;
- Housing provider managed: Royston;
- Stand-alone company: Bolton and Toronto (also Home Connections in London which only manages choice-based lettings).

The local authority controlled schemes in Bath, Manchester and Perth and Kinross have informal meetings with partners, or a sample of partners, on a regular basis to obtain feedback, review performance and service activity, work through any issues and consult on changes to how the system operates.

Edinburgh and British Columbia have a formal council or board with representatives from providers and clients, to which they delegate responsibilities for specified issues. The three partners in the Royston scheme meet regularly to monitor the service and make key decisions. As stand-alone companies, Bolton, Toronto and Home Connections have boards of directors with governance responsibility.

Formal contracts or agreements in place between the administrator and the partner organisations usually cover issues such as:

- Objectives;
- Participants’ roles and responsibilities;
- Financing and participant costs;
- Privacy requirements;
- Information technology requirements and data protection;
- Common policies and procedures;
- Performance indicators;
- Reporting and monitoring;
• Renegotiation processes.

The voluntary systems have limited recourse if partners or participants do not abide by agreements. An issue of concern in some schemes is the extent to which partners maintain separate wait lists for some classes of applicants and hold back some vacancies to allocate from these lists.

In Toronto, where participation in the common housing register is compulsory, the service manager has no authority to enforce compliance. This role sits with the city of Toronto as part of its regulatory responsibilities for social housing providers, but it is constrained in monitoring compliance because the register does not have the required reporting capacity. Bolton has the most sophisticated reporting and monitoring capacity, and other schemes are undertaking upgrades of their software to address this deficiency.

Partner involvement in management is crucial for ensuring good client service, effective relationships, stakeholder support and continuous improvement. Partnership agreements and regular, robust reporting and monitoring regimes and clear accountability processes appear to have an important role in maintaining the integrity of the common systems and the confidence of all stakeholders.

All of the common housing registers studied have a centralised team with responsibility for system administration and wait list management. The breadth of their roles varies considerably, depending on the technology employed and design of the scheme. Centralised teams are generally considered essential to ensure efficiency, accountability and data integrity.

Web-based access allows some functions to be decentralised to partners and is an important feature to gain efficiencies. Data integrity is controlled and training and support costs minimised where the level of access is limited to key regular users, and system administrators retain authorisation control over critical functions, such as activating and deleting applications, and there are monitoring and quality control measures in place. These might include having the system designed with mandatory fields, limited data menus and system access security, as well as having service administrators monitor usage and using external auditors.

9.4.2 Financial arrangements

In most UK schemes, common housing register development costs were met by local authorities, generally supported by a significant funding contribution from the national government. Development costs in the Canadian sites were also met by the city of Toronto and the British Columbia provincial government. The extent of government financial and other support for common housing registers is discussed further in Chapters 4 and 7.

Operational costs are either met by the relevant government agency or split amongst the partners on a pro rata basis, for example, according to the number of housing units managed or according to some measure of activity such as size of the organisation, annual allocations or number of applications processed. Costs are most likely to be shared where the common housing register is managed by a stand-alone company or there are substantial stock transfers to non-government providers. Where costs are not shared, the main reasons are to encourage participation or because it is difficult to decide how to charge small providers. The rationale provided by BC Housing is that sharing administration costs was not justified, given that the recurrent subsidy arrangements with providers would result in the province having to meet the costs indirectly anyway.
9.4.3 Information technology

The information technology systems used to support common housing registers vary in complexity, technological sophistication and the sort of platforms they were built on. Systems were:

- Grafted onto existing local authority and provincial housing management systems; or
- Integrated into new large housing management systems; or
- Developed from scratch as stand-alone systems; or
- ‘Off the shelf’ products, with varying degrees of modification.

They range from a small personal computer-based system in Royston through to large corporate systems. Most have at least some elements with internet links which provide opportunities for decentralised client access and online access for geographically dispersed providers. Security features can be incorporated to allow different levels of access and to meet any data integrity and protection and client confidentiality requirements.

In general terms, there is an attempt by system administrators to limit housing provider live access to the common housing register database as a means of controlling data integrity and minimising the costs of training and support. As a corollary, some housing providers are enthusiastic about the limited system access as the reduced data entry requirements significantly reduce their own operational costs.

Training and support to external users is particularly resource intensive for complex systems, especially where there is staff turnover or small providers use the system infrequently. Investment in reliable, user friendly, intuitive systems reduces the ongoing costs of training and supporting users, while allowing for direct provider and client access.

The systems need to be flexible and easily modified, especially to accommodate changes in policy and in reporting and auditing requirements. This is problematic for some corporate systems that have been specifically reprogrammed to accommodate the common housing register functions. A significant role of the dedicated centralised unit is to manage the information system and ensure continuing data integrity.

9.4.4 Other implementation issues

Merging wait lists

A number of policy and operational issues were identified in the processes of merging providers’ wait lists when common housing registers were established. Depending on local circumstances, these include:

- Advising applicants about the common housing register;
- Requesting applicants to complete new applications or provide additional information;
- Obtaining applicants’ consent to share information;
- Transferring data from provider databases or entering details onto the common housing register;
- Impacts on applicants who lost priority or ranking under the new system.

Duplication of wait lists sometimes means that a high proportion of applications are already registered with the largest provider. Where the application form has not changed dramatically, this reduces the work involved in merging lists, but some of the
larger schemes require significant time and resources to undertake the administrative processes of merging lists. Some schemes report applicant dissatisfaction and confusion about the change, especially where they perceive they have been disadvantaged.

**Timeframes and staging**

The timeframes and processes for initial implementation varied considerably. Most of the UK schemes spent between eighteen months and two years during the development stage in attempts to build relationships and reach consensus amongst the partners about key policies, processes and the content of partnership agreements.

Some schemes put a lot of time and resources into developing new information technology systems to support the implementation, while others adapted existing local authority systems without reviewing process requirements. In both cases, systems tended to be redeveloped or upgraded within relatively brief timeframes as shortcomings became evident, systems matured and potential enhancements or superior systems were identified. In some cases, redevelopment was necessitated by the host local authority’s implementation of new corporate systems.

Changing policies and operational environments, system evaluations, technological change and continuous improvement of procedures all contribute to the need for ongoing modification of common housing register systems. One system administrator said that the implementation of common housing registers is never finished because they are in continuous development.

**9.5 Provider concerns**

A range of interests and concerns of housing providers participating in common housing registers were identified in areas such as efficiency, system flexibility, provider discretion, data accuracy and reporting capabilities.

The main efficiency concern relates to the ability to let vacancies quickly. Delays can be caused by either procedures or system capability. Some information technology platforms are unstable or systems complex, leading to delays in obtaining short lists. Where online access is not available, there may also be delays in having short lists forwarded from the register.

A particularly important comment related to the currency of data, with out of date records on short lists leading to wasted time in contacting applicants who have already been allocated housing or whose circumstances have changed. Other efficiency concerns relate to duplication of effort where information has to be on both the common housing register and the provider’s information systems because of overlap or lack of compatibility and connectivity.

In some cases, providers feel that policies or procedures are inflexible and do not meet their organisational or client needs. This is particularly an issue for large regional and national RSLs in the UK who have to deal with a number of common housing registers, all with different requirements and procedures. Many of the issues raised in this context were policy issues that have a statutory or regulatory basis, and common housing registers do not really have any ability to deal with them.

Many of those interviewed reported provider concerns about loss of identity and autonomy, especially during the implementation stages. In the more mature schemes, this is of less concern, probably because great efforts have gone into developing systems that take account of such concerns. Another explanation is that organisations are inclined to gravitate towards common practice when they work closely together, and trust and cooperative ideology develop.
Issues of autonomy and trust continue to be at the forefront in Canada where common housing registers are still a relatively new concept, and especially in Toronto where they were mandated by the province with limited community consultation.

Another issue of concern is the lack of flexibility and capacity in reporting functionality. There are two concerns here: firstly, that partners are unable to monitor efficiency and activity from a system performance perspective, and secondly, the need to duplicate and manipulate data on their own systems that should more efficiently be available from the common housing register system.
The information presented in this chapter is based on a number of sources: evaluation and other reports on 27 choice-based lettings pilots in England, information provided by two UK academics who have been key to the evaluation of these pilots, verbal and written information from four sites in the UK (three in England and one in Scotland) visited during the field trip which had both choice-based lettings and common housing registers, and several academic articles. We follow the same format as in the previous chapter, addressing the questions raised in the Australian workshops in stage one, which focused mainly on development, implementation and operations.

10.1 Scope

The pilot projects generally included longer-term social housing managed by a local authority and a number of participating RSLs operating within a municipality, or a group of RSLs where the local authority had moved out of the business of providing and managing social housing. For example, the scheme run by Home Connections in central London, one of our study sites, covered parts of the social housing stock in five London boroughs. There is one ‘back office’ supporting the scheme but each of the five areas has their own policies and procedures. The voluntary guidance issued by the central government suggests that choice-based lettings schemes are best if they are comprehensive and include a broad geographical area to cover housing submarkets (covering at least a local authority, but preferably a larger area) and all rented social housing (Brown et al. 2005: 26). Over time, some of the pilot schemes have broadened their area of geographic operation.

In all of the pilot schemes, a number of properties were reserved for ‘direct’ letting through the traditional process of administrative allocation by a housing worker. The circumstances in which properties were kept out of the scheme were:

- Properties let in order to rehouse tenants following an emergency, such as fire or flood;
- Properties let to particular households where choice is undesirable, such as where individuals had been previously convicted of certain sexual offences (primarily paedophilia) or were in witness protection schemes;
- Properties which are specifically adapted (usually for wheelchair or paraplegic cases) and where a close match between the individual and the characteristics of the property is made on the basis of professional advice.

When properties are withheld in this way, there is a danger that applicants do not see the system as being transparent and fair (Brown et al. 2005: 17). In general, most choice-based lettings schemes try and keep such properties to a minimum, and monitor those withheld in this way.

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46 See Chapter 3 for details.
47 Voluntary guidance comprises practice based information compiled by the Centre for Comparative Housing Research at De Montfort University (Brown et al. 2005). This should not be confused with statutory guidance issued by the central government for local authorities (Office of the Deputy Prime Minister 2002).
10.2 Participation

Choice-based lettings schemes have generally been developed on the platform of a common housing register. The voluntary guidance issued by the central government suggests that schemes should include all social housing organisations in the designated area, although practice varies, and in some cases only local authority housing is allocated on a choice basis, with RSLs allocating through the traditional administrative process (Brown et al. 2005: 26).

In the four sites visited that had both choice-based lettings and common housing registers, practice varied:

- All of Camden’s vacancies (local authority and housing association) were advertised through Home Connections, except for specialist dwellings for older people and people with disabilities;
- In Bolton, all common housing register partners participated in the choice-based lettings scheme, although they did not advertise all of their stock. From the interviews, it appears that there is still some controversy about the extent to which some housing associations hold stock back from choice-based letting and even from the common housing register. This is especially an issue for specialist housing associations and also national ones where they accept transfers and allocations of applicants from other areas;
- In Manchester, only local authority housing was allocated through choice-based letting, but they are looking to extend coverage to housing associations, and also exploring sub-regional schemes made up of a number of local government areas;
- In Edinburgh, only local authority housing was allocated through choice-based lettings, but this was under review in the context of stock transfers to housing associations.

The voluntary guidance from the central government also suggests that consideration should be given to inclusion of a wide range of partners, including RSLs with stock in the area, organisations which manage stock on behalf of social landlords, local authority social services, other local authority departments (e.g. for their expertise in information technology), ‘supporting people’ teams who assist vulnerable households, organisations in the health and social care sector (including primary care trust), voluntary sector organisations (e.g. Citizens’ Advice Bureaux) and community and tenant representatives (Brown et al. 2005: 30-2). The range of partners seems to vary greatly in practice.

In areas of high demand, some schemes incorporate other housing options, such that it might be joined with a housing advice service, or means of accessing other options such as private rental, mutual exchanges and shared ownership schemes. Extension of the schemes to include a variety of housing options is very much encouraged in the central government’s voluntary guidance (Brown et al. 2005: 52-3), although few private landlords participated in the pilot projects, largely because they had to be accredited (Marsh et al. 2004).

10.3 Operating choice-based lettings schemes

10.3.1 Design of ‘currency’ for bidding

All choice-based lettings schemes are designed with some form of ‘currency’ in order to rank competing bids for the same property, and the currency reflects the particular social housing submarket in which the scheme operates. For example, high demand areas in inner London use a priority points system, including Home Connections, one of our study sites. This scheme comprises five local authorities and a number of
RSLs, with properties being advertised with the number of points required. Other high
but less extreme demand areas use housing needs bands or segments, whilst lower
demand areas may use date order of applications with a limited priority system.
Whatever the system, all schemes have provision for priority access beyond date
order.

In most cases, the schemes are designed such that the households with the highest
form of currency (either priority points, highest band or longest wait time) will get the
property where there are multiple bids. This is not always the case, and there are
sometimes different rules for the most and least desirable properties. For example,
two schemes operating a priority card scheme restrict the card to properties receiving
less than a minimum number of bids. For example, in Bradford, a priority card cannot
be used on properties for which there have been more than a set number of
competing bids. This has led to protests from homeless people, the largest group
receiving priority cards, that they are being denied access to the best properties.

An alternative means of determining ‘who gets the most desirable properties is the
use of ‘social’ criteria for priority, such as the Gold Star or Excellent Customer
schemes operated by two choice-based lettings schemes. For example, in
Sunderland, an Excellent Customer is one who has had a clear rent account for more
than twelve months and whose house and garden are well kept; bids from Excellent
Customers override other bids. Interestingly, no scheme in England has used the age
of the applicant as a means of establishing priority. This is frequently used in the
Netherlands, and makes the point that the choice of currency is essentially one of
social values, not a technical one.

Concern that the use of priority cards may lead to excessive concentrations of people
with the highest needs have led another scheme, Sheffield, to institute a rule that
when 50 per cent of lettings on any estate have gone to priority card holders, then
priority card holders can no longer access that estate for a while.

10.3.2 Labelling of properties

Properties available for advertising have to be labelled to enable both informed choice
by households and also any restrictions on matching that providers wish to make.
Local housing workers with knowledge of the individual property provide a description,
preferably with a photograph, the exact address, number of levels (if applicable),
number of bedrooms, form of heating, availability of garden or other outdoor space
and car parking, and the location of amenities and services such as public transport,
shops and schools. For example, Manchester Homefinder has ‘area guides’ focusing
on ‘living’ and ‘learning’ which link to a range of maps (Brown et al. 2005: 22). As pilot
schemes developed, the quality and quantity of information provided has improved,
becoming similar to private sector estate agents’ brochures. The longest running pilot
found the most requested piece of information was the dimensions of rooms.

Most pilot schemes also place restrictions on which households are eligible for the
property in order to avoid, for example, a single person applying successfully for a
large family dwelling. A range of ‘labels’ are used, of which the most frequent are:
specifying a minimum or maximum number of occupants, depending upon landlord
policies either to reduce child densities or to prevent overcrowding; indicating
restrictions on pets, particularly for flats or properties without private gardens; and
indicating the suitability of the property for households with mobility problems.
Sometimes there are also restrictions on minimum age of tenants, typically in
dwellings purpose-designed for the elderly, but sometimes for other dwellings as well.
Restrictive labelling has often been employed by local housing offices in order to
attempt to restrict the incoming tenant population to household types believed to
present fewer management difficulties. Restrictions such as ‘minimum age 35’, for ordinary two bedroom family houses, are not unusual. These have required vigilance on the part of central choice-based letting teams to ensure compliance with overall policy guidelines.

10.3.3 Advertising

There is an increasing emphasis on marketing social housing generally in England. This might involve, for example, aiming at groups who are currently under-represented in social housing. For example, Homehunter in Bradford has targeted ‘Black and Minority Ethnic’ households in its promotional work in its efforts to improve the condition and image of council housing estates (Brown et al. 2005: 21).

Individual vacant properties are advertised in a wide range of advertising media including: local papers in the same way as private properties, brochures or newsletters, ranging from in-house ‘scissors and paste’ jobs to the brochure produced by Locata, a choice-based lettings scheme owned by five boroughs in West London, copy for which is emailed to printers in Holland, with the finished brochures delivered by overnight ferry. They are available at public buildings and some supermarkets for collection by applicants. Some smaller schemes mail newsletters to all applicants.

In addition, choice-based lettings schemes often run ‘property shops’, along similar lines to a private real estate agent with a shop window displaying photographs of available properties, and a ‘modern’, welcoming interior. In some cases, the property shop is contained within other services, such as a housing advice centre. More often, the idea is to separate the shop from any ‘municipal’ connotation, as part of a ‘rebranding’ approach to social housing. Other options have included kiosks in high traffic locations, call centres and telephone hot lines (Brown et al. 2005: 17).

Many choice-based lettings schemes also operate a website. These have been extensively used, both for browsing available properties and for bidding, by a section of the population usually assumed to be less familiar or experienced with information technology. Some of these websites are quite sophisticated and include floor plans and virtual viewing as well as photographs of the property, maps of the area and other visual material, although access may well be restricted by the need to have broadband rather than dial-up access to the internet (Brown and Yates 2005: 355). The Home Connections scheme led by Camden Borough in London, one of our study sites, has a multilingual website.

The choice of advertising media, the distribution of material and its form are all critical if potentially vulnerable groups are to gain equal access to information. Thus schemes typically mail advertisements directly to housebound people and to client advocates such as probation officers, occupational therapists and social workers. The production of material for the visually impaired, the illiterate or those speaking only a minority language (and the availability of translation services) is usual, although consistent standards of good practice have not yet evolved.

10.3.4 Bidding

Most schemes allow a week for bids to made once the advertising material becomes publicly available. Some have a longer period because they permit a viewing of empty property, accompanied by a housing worker. The vast majority of bids are placed immediately after the properties are publicly advertised. This appears to reflect experience in private sector lettings, which are usually on a ‘first come, first served’ basis, even though this is not part of the choice-based lettings system.

48 This is the terminology used in the UK.
Practice varies on the number of bids which households are able to make. Some schemes restrict the number to perhaps four or five in any one advertising round, while others allow applicants to bid as many times as they wish. Some schemes only allow bids on eligible properties (often websites will display to a bidder only those properties for which they are eligible). Where applicants have been able to bid for properties for which they are not eligible, this has provided valuable information to the landlord on the real market for the property. For example, while sheltered housing for the elderly is increasingly difficult to let and may attract no bids, it has become apparent that many 20-year-olds are looking for one bedroom accommodation, and are placing bids for flats in sheltered housing, indicating that a previously unconsidered market, or demand, exists.

The other main constraint on bidding relates to the homeless. In England, local authorities have a legal duty to secure permanent accommodation for households which are homeless, or threatened with homelessness, and which are in priority need. Thus most choice-based lettings schemes issue homeless applicants with a ‘priority card’. These are usually time limited, typically for six weeks, depending upon the balance between numbers of properties advertised and competing applicants. If the homeless applicant fails to bid within the time limit, and if suitable properties have been advertised during that period, the local authority will make a ‘take it or leave it’ offer in order to discharge its duty.

In most schemes, priority cards override all other bids. A consequence is that priority card-holders are able to bid successfully for the most attractive properties, which has caused some negative reaction from other applicants about ‘queue jumping’. Two of the pilot schemes limited the ‘override’ of the priority card, so that it cannot be used for the most popular properties. This has led to the opposite criticism from the homeless who cannot understand why they should be ineligible for the most attractive properties.

All schemes allow bids to be placed on behalf of applicants. This is generally to allow client advocates to bid on behalf of vulnerable clients, but most schemes also allow bids by relatives. These arrangements can give rise to misunderstandings between advocate and applicant, and consequent refusals of formal offers.

Two of the pilots had websites that allowed interactive bidding. The applicant is able to see what their position in the ‘queue’ for a property would be if they were to place a bid. This enables bidders to choose properties where they are nearer to the head of the queue, rather than fruitlessly bidding for properties for which they have little chance of success. Under such schemes, households can put in a ‘last minute’ bid when they know what their chances are. Care has to be exercised in web-based systems as indications are that only 10 to 20 per cent of applicants are likely to have access to the internet at home (Brown et al. 2005: 17).

10.3.5 Short-listing and offers

Choice-based lettings schemes use a computerised short-listing system unless the number of properties offered is very small. This process matches applicants to bids and property labelling criteria to produce an automated short list. It has the added advantage of being entirely impersonal, and not influenced by the subjective judgement of housing workers.

Most schemes verify the household information given by applicants at the offer stage, in order to ensure its current validity, although this can then result in delays in making

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49 Generally, being pregnant, having a dependent child, being elderly or vulnerable because of physical or mental disability.
a formal offer to the highest bidder. Verification may include details of the applicant’s household (age, sex and relationship), any outstanding arrears of rent or mortgage, or possibly police checks.

Exclusions operate for choice-based lettings in the same way as for common housing registers. Generally, applicants are suspended from being eligible to bid (e.g. if they have previous debts, previous damages, past anti-social behaviour or are under breaches or ‘seeking possession’ orders) and/or are required to verify their eligibility prior to offer. The extent to which this information is shared between landlords varies, so in some cases the local authority may only have access to their own records or may require applicants to provide references from landlords etc. In others, such as Bolton, there are agreed ways that applicants can be reactivated, such as six months tenancy without breaches or making regular payments for three months against the debt.

The normal practice is to offer the property to the bidder at the top of the short list, and then to the second bidder in the event of a refusal, and so on. Some schemes offer the property to the top four or five bidders simultaneously, in order to reduce the vacancy period resulting from successive refusals.

Many schemes have been surprised by the continuing high rates of refusals following a formal offer. It had been assumed that bidders would only choose properties in which they were seriously interested and, by exercising choice, would be less likely to refuse an offer than if the property had been selected by a housing worker. In practice, it is clear that while some properties are understandably refused when the prospective tenant has had the opportunity to view their interior, many applicants are ‘playing the market’, placing a range of bids with the intention of accepting only the most favourable.

10.3.6 Feedback

Feedback is an important feature of choice-based lettings schemes, similar to publishing in newspapers the price of properties sold on the private market. The feedback normally provides the address of the property, the number of bidders, and the ‘currency’ of the successful bidder. The idea is to provide feedback as soon as possible after the close of bidding, so that unsuccessful bidders can learn from the pattern of bidding and adjust their own future bids in order to maximise their chances of success. For example, the Homesforyou scheme in Bolton, one of our study sites, provides personalised feedback to applicants within a few hours of the close of bids. In practice, refusals and reoffers of properties cause significant delays in providing feedback information.

Schemes that have a number of partner landlords have also found it very difficult to obtain consistent and prompt information on bidding and letting outcomes. In schemes with large numbers of lettings, the space requirement for feedback in newspaper advertising has proved to be costly. Some are experimenting with individualised feedback, using text messaging as a cheap medium, on the basis that applicants want specific feedback on their application, not more general feedback. The formal evaluation of the pilot projects found that publishing feedback on lettings outcomes was one of their weaker areas (Marsh et al. 2004: 12).

10.3.7 Readvertising

Most choice-based lettings schemes have some properties that receive no bids when first advertised, or properties that are refused by all bidders. The schemes either readvertise the property after considering whether changes should be made to its labelling in view of potential demand, or redesignate it to be part of an alternative lettings scheme, usually on a ‘first come, first served’ basis. These types of lettings
tend to attract bids from younger single and single parent applicants, and also from a higher proportion of ethnic minorities.

10.3.8 Transfers

Transfers also operate in a similar way as for common housing registers. In Bolton, existing tenants of the partner landlords can register for transfers and are essentially treated as new applicants. There is a constraint in that they can't reregister within twelve months of being housed unless they meet the criteria for urgent/high needs groups. Other schemes visited are more stringent and give transferees a lower priority than other applicants unless they meet urgent criteria.

10.3.9 Client rights: Privacy and appeals

These are generally also the same as for other allocations systems, with only a couple of additional issues related to choice-based lettings.

There is a risk that the high level of public information provided on the properties, the criteria for letting them in advertisements, and the public information on the outcome (e.g. date of registration, points, priority status) may indirectly make publicly available information about the successful applicant's circumstances but not their personal details. There did not appear to be any particular concern about this aspect.

Decisions can generally be appealed but this would inevitably be after the letting decision is made. Any resolution would be in terms of subsequent housing offers.

10.4 Implementation issues

10.4.1 Governance and accountability

Whilst choice-based lettings schemes allow more provision for consumer choice than previous administrative allocations systems, social landlords still set the 'rules of the game' (Marsh et al. 2004). Choice-based lettings schemes must be operated within legislative requirements, a statutory Code of Guidance and local policies (Brown and King 2005: 64). These mean that choice must be balanced against assessed housing need. Unlike in Australia, social housing landlords in England are required by legislation to take account of assessed 'housing need' in prioritising applicants, reflecting a number of prescribed 'reasonable preference' criteria. Choice-based lettings schemes must operate under the provisions of this legislation and its interpretation as guided by case law decisions. As a result of one particular case in the London Borough of Lambeth, it has been difficult for choice-based lettings schemes to enable applicants to trade off property type and size for other factors. Rather they have to ensure that households do not end up in a dwelling that is 'unsuitable', for example, too small for their needs.

A part of accountability is good monitoring and evaluation of choice-based lettings against their objectives. For example, Home Connections in Camden measures performance against indicators that are linked to the objectives of the scheme as well as broader evaluation to identify changes in supply and demand, use of customer focus groups and mail questionnaire surveys (Brown et al. 2005: 48). Many RSLs are

50 The statutory Code of Guidance 2002 states that: 'allocation policies for social housing should provide choice wherever possible, while continuing to meet housing need...this is the best way to ensure sustainable tenancies and to build settled and stable communities' (Office of the Deputy Prime Minister 2002: para 5.3).


52 Lambeth LBC v Lindsay 2002 in which the Court of Appeal ruled that local authorities must take account of 'reasonable preferences' in any case (Mullins and Pawson 2005: 209).
particularly concerned about their performance in terms of vacancy periods (Marsh et al. 2004: 16).

10.4.2 Financial arrangements

The choice-based letting pilots were supported financially by central government through local authorities. In future, costs will need to be shared amongst partners and this is a concern for some of the smaller RSLs.

10.4.3 Information technology

The evaluation of the pilot projects found that progress was most often hindered by procurement and implementation of quite complex hardware and software systems (Marsh et al. 2004). Information technology for these schemes is also costly to develop and operate. This is a driver for schemes on a regional or sub-regional basis where costs can be spread over a greater number of providers (Brown and Yates 2005: 354).

Many pilot projects were handicapped by a lack of appropriate information technology. Over time, software developers have taken up this challenge and developed new products to meet the needs of choice-based lettings schemes in an expanding market. Whilst a choice of ‘off the shelf’ products exist, the central government’s voluntary guidance states that it is important that these meet, or are customised for, local requirements (Brown et al. 2005: 49).

10.4.4 Other implementation issues

The evaluation of the pilot projects found that, in most cases, performance on relet times and vacancy period improved (Marsh et al. 2004). It may be that some of this improvement can be associated with overhauling allocations systems required by choice-based lettings schemes rather than with the schemes themselves (Brown and Yates 2005: 351). Some of the efficiencies are generated by advertising a property once notification had been received that the tenant is vacating rather than waiting until it was vacant, multiple viewing by the top three applicants after the bidding stage, and instituting a weekly rather than fortnightly advertising cycle. Home Connections had adopted the second and third of these.

The central government wants to encourage the development of regional and sub-regional models of choice-based lettings rather than those just based on a local authority area, for example, Home Connections operates in central and north London across a number of local authority areas. The rationale for this is that housing markets do not follow local authority boundaries.

It is difficult to involve all social housing providers from the outset since each local authority in England has approximately 20 RSLs operating in its area. Development of choice-based lettings schemes involves agreement between all participants on detailed policies and procedures, and this can be hard to achieve with multiple partners and historically different ways of operating. Some RSLs have been concerned that participation may lead to a loss of autonomy and independence but, in practice in the pilot projects, individual providers were responsible for labelling properties according to their own criteria and for making offers according to their allocations policies (Brown et al. 2005: 28).

A key finding from the pilot schemes was that negotiation of consensus is essential and that ‘attempting to impose specific policies and procedures is an inappropriate way forward’ (Brown et al. 2005: 29). As a result, development of a choice-based lettings scheme takes time, at least twelve to eighteen months.
As with common housing registers, the key to developing choice-based schemes was good partnership arrangements that met local requirements. In most cases there was a lead agency, usually the local authority, even where that authority had transferred all its stock to RSLs as has occurred in many areas of England.

Where activity increased because of publicity associated with the launch of the schemes, this put pressure on staffing levels to cope with demand in the early days. New types of skills were also required, e.g. preparing copy for advertising, writing press releases.

10.5 Provider concerns

The evaluation of the pilots indicated that most ‘rated their experience of CBL very positively’ and intended to continue their schemes after the pilot period (Marsh et al. 2004: 9). Local authorities and lead housing associations were in general more positive than other partner housing associations, largely because of the cost and possible impact on indicators of housing management performance, particularly vacancy periods. The evaluation of the pilots describes housing associations as being ‘fixated upon void turnaround time, almost to the exclusion of any other consideration’ (Marsh et al. 2004: 16).

Larger RSLs, particularly those operating across areas, had more difficulties because they potentially will have to participate in a number of choice-based lettings schemes, each with different organisational settings and modus operandi.
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APPENDIX 1: QUESTIONS FOR FIELDWORK

Scope
- Is it about a full common housing system or a part system?
- Do common housing register models incorporate crisis and transitional housing?
- Do models include affordable housing, e.g. housing associations and head leased private rental property? If so, how is this to be incorporated if affordable housing agencies accommodate some tenants outside existing eligibility criteria or (in the interests of viability) cannot take more than a certain proportion of particular client groups, e.g. Newstart recipients, or have different rent setting structures?
- How do cooperatives relate to the common housing register system? Are they to be outside it or, if inside, how are client assessment criteria such as tenant participation (allocation by merit) to be incorporated?
- How do specialist services relate to the common housing register system? For example, if a common housing register incorporates the crisis sector, how then do related services such as legal, health, alcohol and drug, mental health, employment and training and Centrelink services fit? This is the issue of the boundaries of common assessment.

Participation
- Is there a minimum provider size in order to participate?
- Do some types of providers not participate?

Operational
- Are applications lodged and registered centrally or at multiple sites?
- Is eligibility assessed centrally or at multiple sites?
- Are eligibility and assessment undertaken at the same time and by the same staff?
- Who undertakes assessment and how is this determined in different systems?
- Is there any variation in assessment methods and tools between providers?
- Can providers have different methods of prioritising applications?
- Does a common allocations system really mean one system or a host of integrated systems? A common system, for example, could be designed where all participating agencies had their particular allocations needs fed into the one system which would filter people based on the various allocation principles.
- Can systems allow for local allocations variations?
- Should an application form cover every single question that every participating agency wants asked?
- Are nomination rights compatible with Common housing registers?
- Can common allocations systems be consistent with local area allocations policies?

Choice
- What levels and types of choice are available to applicants (for example, location, type of dwelling, provider)?
- Are there penalties for refusing offers?
• How do choice-based lettings fit with common housing registers?

**Exclusions**
• How do issues of anti-social behaviour and debts with a previous social housing landlord affect eligibility to be housed in the future?
• If excluded from one provider, is access denied to all participating providers?

**Transfers**
• Are transfers included in the common housing register or managed separately?
• Are transfers managed within each provider or across the system?

**Implementation**
• What are the political or other contentious issues and how are these resolved?
• In terms of power relations between providers, are there overseas examples similar to the Australian context where there is one dominant provider?
• What time period has been set aside for implementation?
• Are common housing registers as beneficial in areas of low housing demand as in areas of high housing demand, in terms of both the number of allocations and the number of agencies?
• What are the information technology implications and options, their cost, and the advantages and disadvantages of different approaches? This refers to the fact that, depending on how it is implemented, a common housing register may require compatibility of platforms and systems, a problem in Australia where the community sector’s information technology capacity is very diverse.
• What are the costs of establishing and operating the common housing register and how are these funded?
• How are efficiency dividends captured and distributed? This is the issue, for example, of where a central agency runs the common housing system which generates savings to participating individual agencies. Are these savings to go to the central agency? What if the savings in participating agencies involve the loss of staff who were previously administering allocations but whose roles might have extended to other areas of service provision?
• What information is available to common housing register staff and applicants about the participating providers and different housing options, and how is this kept up to date?
• What are the training and development issues for common housing register staff and for providers overall?
• Are there issues of conflicting cultures between participating providers and how are these dealt with?
• Have there been any problems when applicants who are already on a wait list have been transferred to a common housing register (for instance, falsely raising their expectations as, with more potential options open to them, they expect to be housed more quickly)?
• What are the implementation timeframes and stages?

Note: These questions were developed based on discussions with a range of stakeholders during stage one of the research and indicate specific issues on which stakeholders wanted to have more information.
APPENDIX 2: INTERVIEW PARTICIPANTS

A. England

London

Home Connections
Joe McLoughlin, Business Development Manager

Bath

Homeseekers Register
Bo Novak, Manager

Manchester

Manchester City Council
Joanne Dalton, Acting Head, Policy and Allocations
Beverly Kirkham, Principal Team Leader, Housing Services

Manchester Methodists
Kate Faye

Contour Housing
Richard Lister

Bolton

Bolton at Home
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Anne Burns, Community Housing Manager
Craig Hardman, Community Housing Manager
Caroline Horner, Community Housing Manager
Carla Howarth, Community Housing Officer
Mike Lever, Community Housing Manager
Trevor McKean, Community Housing Officer
Carole Townsend, Community Housing Manager
Bolton Metropolitan Borough Council
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Jon Lord, Head, Community Housing Services

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Paul Smith

Irwell Valley Housing Association
Mike Redford

North British Housing Association
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B. Scotland

*Edinburgh*

**Scottish Executive**

Henry Coyle, Common Housing Register Policy and Practice Officer
Yvonne Wemyss, Common Housing Register National Development Officer

**Edindex Housing Association**

Rona Curran

*Glasgow*

**Royston COMMON HOUSING REGISTER**

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*Perth*

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Lynn Gowrie

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Michelle Haney-Kileeg, General Manager
Heather Myrie, Resource Centre Facilitator
Karima Murji, Special Needs Worker

**Fred Victor Centre**

Helen Haziprodrumu

**East York Housing Outreach Program**

Wayne Larkin

**Woodgreen Community Services**

Mary Middleton

**Gardenview Housing Cooperative**

Mary Jankulak

**City of Toronto**

Margie Carlson, Social Housing Consultant
Enid Moscovitch, Social Housing Consultant

*Vancouver*

**BC Housing**

Erin Smandych, Manager, Housing Services
AHURI Research Centres
Queensland Research Centre
RMIT-NATSEM Research Centre
Southern Research Centre
Swinburne-Monash Research Centre
Sydney Research Centre
UNSW-UWS Research Centre
Western Australia Research Centre