

Report to the Cabinet

Report reference: C/103/2005-06.
Date of meeting: 6 February 2006.



Portfolio: Housing.

Subject: Choice Based Lettings - Herts and Essex Housing Options Consortium.

Officer contact for further information: Roger Wilson (01992 - 56 4419).

Democratic Services Officer: Gary Woodhall (01992 – 56 4470).

Recommendations:

- (1) That the initial framework for the proposed Choice Based Lettings Scheme for all the Council's vacant social rented properties be approved;**
- (2) That, in accordance with Financial Regulation F3 (which permits the Cabinet to delegate to an appropriate officer functions undertaken by partnerships), the functions relating to the Herts and Essex Housing Options Consortium (a partnership with five other local authorities) be delegated to the Head of Housing Services; and**
- (3) That, as defined in pages D1 to D78 of the Constitution, this delegated authority be incorporated in the Schedule of Delegation to Officers.**

Background:

1. At its meeting on 24 May 2004, the Cabinet agreed the recommendations of the former Overview and Scrutiny Committee (1) that the Council adopts a move towards a "Choice Based Lettings" system in principle. This followed detailed examinations of the principles and issues at a number of meetings by the former Working Group on Housing.
2. On 16 September 2005, following detailed consideration by the Housing Scrutiny Panel, the Housing Portfolio Holder agreed the introduction of a Choice Based Lettings Scheme for all applicants on the Council's Housing Register. The reason for bringing this report to the Cabinet is that the proposed partnership with other local authorities (see below) requires the approval of the Cabinet under Financial Regulations.
3. Under a Choice Based Lettings scheme, all vacant social rented properties would be advertised to applicants on the Housing Register in a periodic publication, website, interactive kiosks and other media showing a photograph and giving details of location, type, rent, service charge, council tax band and landlord of the available accommodation. Applicants would apply for a property by "bidding" either in person, by post, telephone, text, email or Internet. Bidding restrictions would be in place, which would include restricting "bidding" for properties to those households which only have an assessed need for a particular property type.
4. At the end of the "bidding" cycle, the Council would analyse the "bids" received and allocate each property following a prioritisation and selection process in accordance with its Allocations Scheme. In general terms, the property would be offered to the applicant in the highest band, who has been registered the longest, who had "bid" for the specific vacancy. The results of the "bidding" on each property advertised is then published in the next periodic publication, setting out the number of "bids" received on

each property, as well as the Band and registration date of the successful applicant. This helps applicants to see how long the successful applicant has been waiting and gives greater transparency in the allocation of accommodation, as each applicant would be able to clearly understand the type and location of properties for which they would be most likely to “bid” successfully.

5. Any Choice Based Lettings Scheme must be developed in a way that takes into account the needs of vulnerable groups. This would involve close liaison with Social Care and a wide-range of partner agencies, ensuring that vulnerable people are able to participate fully in any scheme.

Proposed Approach:

6. The Housing Scrutiny Panel and Housing Portfolio Holder further agreed that the scheme be operated through an agreement with a Choice Based Lettings Agency. Now that many local authorities are setting up Choice Based Letting Schemes, a number of Choice Based Lettings Agencies are being formed, usually by groups of local authorities forming a non-profit making organisation. These agencies are now very experienced at managing the entire process, including producing, printing and distributing the periodic publication, telephony (managing the bids electronically automatically by telephone and text), information technology and the electronic and manual receipt of the bids from applicants. At the end of each “bidding” cycle the agency returns a summary of the “bids” to each authority, who then prioritises offers made to the successful applicant based on their own Allocations Scheme. The agency also provides regular and detailed statistical information to the local authority on bids.
7. The Government has set a target for 25% of local authorities to introduce a Choice Based Lettings Scheme by 2005, with all local authorities having a scheme in place by 2010. This target will be extended in the future to include, not only social rented housing, but also shared ownership, low cost home ownership and the private rented sector, thereby adopting a “Housing Options” approach.

Working in Partnership:

8. The Government is keen that Choice Based Lettings systems should operate sub-regionally or regionally and include registered social landlords (RSLs), voluntary organisations, and local communities. It is the Government’s view that schemes that only involve one organisation are unlikely to provide a comprehensive service for applicants. It is felt that such a system would bring maximum choice for housing applicants, increased understanding of allocations and lettings, and give greater perceptions of fairness and transparency.
9. In view of the Government’s intention that Choice Based Lettings Schemes should operate in partnership, and the financial benefits of pooling resources, the Head of Housing Services invited officers from neighbouring authorities to a meeting to assess the interest in exploring the possibility of working in partnership. They were:
 - Brentwood Borough Council;
 - Chelmsford Borough Council;
 - Broxbourne District Council;
 - Uttlesford District Council; and
 - East Herts District Council.

10. All authorities in attendance were interested, at officer level, in working in partnership, particularly as there are a number of clear advantages including:
 - One commissioning process;
 - Sharing of officers' workload, views and experience;
 - Sharing of tendering commissioning costs;
 - Significantly lower ongoing agency costs, due to joint publications and higher volumes;
 - Opportunities for further joint working on housing related issues;
 - Greater interest from Choice Based Lettings Agencies in view of the increased size of contract; and
 - Greater recognition from Government for partnership working.
11. In addition, although no detailed costings are available, officers have had discussions with two agencies who suggest that working collaboratively with other local authorities in the sub-region would not only save on set-up costs, compared to managing the process in-house but, more significantly, would also create substantial savings of around 30%-40% on the periodic publication. This suggests that the ongoing cost of operating a Choice Based Lettings Scheme could be reduced from around £25,000-£30,000 per annum to around £18,000-£21,000 per annum.

Choice Based Lettings – Regional Fund:

12. In the Autumn of 2005, the Council received notification from the Government confirming that £4 million was to be provided to local authorities over three years nationally, through a competitive bidding process to support the development of regional and sub-regional Choice Based Lettings Schemes in England.
13. On the recommendation of the Housing Scrutiny Panel, the Housing Portfolio Holder agreed to the Head of Housing Services, in consultation with the five other Local Authorities and 24 RSLs in the Consortium, submitting a bid to the ODPM. In December 2005, the ODPM notified the Consortium that the bid had been successful and the grant of £96,000 has now been received.
14. The Housing Portfolio Holder has agreed to the proposals of the Consortium that the grant is spent mainly on the employment of a specialist consultant to advise the partners, prepare a joint specification, undertake the tendering arrangements for the commissioning of the agency and project manage the implementation of the scheme. The remaining grant would be shared amongst the partners to assist with their own individual implementation costs, including a contribution towards their own IT requirements. Once appointed, the consultant will be able to give a better assessment and breakdown of the costs initial set-up and ongoing costs involved.
15. It was also agreed by the Housing Portfolio Holder that, since the Council is the most advanced in the progress made towards Choice Based Lettings to date, the Council acts as the "host authority" for the receipt of the ODPM funding and for the making payments to, and the contractual engagement of, the consultant that will be appointed to project manage the commissioning of the scheme on behalf of the partner authorities.

16. A further report will be submitted to the Housing Scrutiny Panel and Housing Portfolio Holder to consider:
- The outcome of the bid to the Government's Choice Based Lettings Regional Fund;
 - The detailed operation of the Choice Based Lettings Scheme;
 - The joint contract arrangements with other authorities;
 - The joint commissioning arrangements for the appointment of the Choice Based Lettings Agency;
 - Budgetary requirements for the operation of the scheme; and
 - The timescale for the Project.

Formal Delegation of Consortium Functions

17. As stated previously, the Housing Portfolio Holder has already agreed the principle of the introduction of the scheme. However, under the Council's Constitution (Financial Regulation F3) the Cabinet is responsible for approving delegations, including frameworks for partnerships (which would include the Consortium), which is the purpose of this report. It is recommended that the functions relating to the Consortium be delegated to the Head of Housing Services. In practice they will be exercised by the Assistant Head of Housing Services (Operations).

Consultation undertaken:

18. Consultation has been undertaken with neighbouring authorities to explore the possibility of setting up partnership working. A consultation exercise was undertaken with all RSLs operating in the District. Consultation with tenants and partner agencies is in the early stages; progress on this will be reported to the Housing Portfolio Holder and a future meeting of the Housing Scrutiny Panel.

Statement in support of recommended action:

19. The implementation of a Choice Based Lettings Scheme is necessary in order to meet the requirements of Government that such a scheme be in place by 2010 at the latest. In addition, the Council has already accepted the principle of moving towards a Choice Based Lettings Scheme. The Council would benefit from working in partnership with neighbouring authorities through the Herts and Essex Housing Options Consortium, as this is recognised as good practice and would be cost effective. In addition, the Consortium received £96,000 funding for the setting up of the scheme. It is therefore suggested that the Cabinet approves both the framework for the proposed Choice Based Lettings Scheme for all the Council's vacant social rented properties, and the delegation of functions relating to the Consortium with five other local authorities, in accordance with Financial Regulation F3 within the Council's Constitution.

Resource implications:

Budget provision: £96,000 ODPM Grant.

Personnel: N/A.

Land: N/A.

Community Plan/BVPP reference: N/A.

Relevant statutory powers: Housing Act 1985.

Background papers: ODPM Grant Bid.

Environmental/Human Rights Act/Crime and Disorder Act Implications: N/A.
Key Decision reference (if required): N/A.