

Decision by Portfolio Holder



Epping Forest
District Council

Report reference: H/ /2006 - 07
Date of report: 12 September 2006

Portfolio: Housing – Councillor D Stallan

Author: Roger Wilson ext 4419
Committee Secretary: Gary Woodhall

Subject: Choice Based Lettings

Decision:

1. That, following detailed consideration by the Housing Scrutiny Panel and taking into account its views, the draft specification for the operation and management of the Choice Based Lettings Scheme by the external Choice Based Lettings Agency be approved; and
2. That, following any requested changes made by the partner authorities in the Consortium, the Head of Housing Services be authorised to agree on behalf of the Council the final version of the Specification, generally in line with the draft version.

ADVISORY NOTICE: <i>A Portfolio Holder may not take a decision on a matter on which he/she has declared a prejudicial interest. A Portfolio Holder with a personal interest must declare that interest when exercising delegated powers.</i>	
I have read and approve/do not approve (delete as appropriate) the above decision:	
Comments/further action required:	
Signed:	Date:
<i>Personal interest declared by Portfolio Holder/ conflict of interest declared by any other consulted Cabinet Member:</i>	<i>Dispensation granted by Standards Committee: Yes/No or n/a</i>
Office use only: Call-in period begins:	Expiry of Call-in period:

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Reason for decision:

1. 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 has agreed to working in partnership with neighbouring authorities, as this is recognised as good practice, cost effective and has enabled the Council to benefit from substantial Government funding to assist with the introduction of the scheme. The agreement of the Specification is a crucial stage in the implementation process. The Housing Scrutiny Panel and the Tenants and Leaseholders Federation has considered the Specification in detail, and their views have been considered by the Portfolio Holder.

Initialed as original copy by Portfolio Holder:
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Options considered and rejected:

2. Not to endorse the draft Specification for the operation and management of the Choice Based Lettings Scheme by an external Choice Based Lettings Agency.
3. Not to give delegated authority to the Head of Housing Services to agree, on behalf of the Council, the final version of the Specification following any changes made by the partner authorities in the Consortium, generally in line with the draft version.

Background Report:

4. 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.

5. On 15 September 2005, the Housing Scrutiny Panel considered a draft report on Choice Based Lettings to the Housing Portfolio Holder. The Panel made recommendations to the Portfolio Holder prior to the executive decision being made. The Portfolio Holder agreed the following :

- That the principle of introducing a Choice Based Lettings Scheme operated through an agreement with a Choice Based Lettings Agency for all applicants on the Council's Housing Register be agreed;
- That the Choice Based Lettings Scheme and Agency be commissioned in partnership with neighbouring local authorities within the London Commuter Belt Sub-Region;
- That, following the consideration of comments from neighbouring partner authorities, the Head of Housing Services be authorised to agree the final version of a joint bid and submit the bid to the Government's Choice Based Lettings Regional Fund, generally in line with the draft version of the bid attached as an appendix to the report;
- That the Council be prepared to act as the host authority for the engagement of a consultant to act on behalf of all neighbouring authorities; receive the Government's funding; and make appropriate payments on behalf of the authorities;
- That, if the bid is successful, the Head of Housing Services be authorised to appoint a consultant to project manage the implementation of the joint Choice Based Lettings Scheme, funded from the ODPM grant; and
- That a further report 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 joint 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 establishment and on going operation of the scheme
 - The timescale for the Project.

6. On 3 March 2006, a further report was submitted to the Housing Scrutiny Panel setting out progress made on the implementation of Choice Based Lettings, which in summary was as follows:

- Under the Council's Constitution, the Cabinet had approved that 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.
- In December 2005, the ODPM had notified the Consortium that the bid to the ODPM for funding had been successful and the grant of £96,000 has now been received. The Council was holding the funding, and would make payments, in accordance with the Scrutiny Panel's and Portfolio Holder's decision.
- The Consortium had set up an Officer Operational Group comprising of a representative from each of the six partner authorities and two housing association representatives, which had been charged with setting up the Choice Based Lettings Scheme had drafted a Consultancy Brief which would be approved finally by the Group at its meeting on 7 March 2006. A copy of the current draft was made available for information.

7. On 25 May 2006, the Housing Portfolio Holder, following a rigorous selection process undertaken by the Consortium's operational group based on price and quality, agreed the appointment of PCA Holdings Limited (PCA) as the Project Management Consultants for the implementation of the Choice Based Lettings Scheme for the Herts and Essex Housing Options Consortium. PCA were the lowest tenderer at £58,000 which leaves a balance on the grant received from the DCLG of £38,000. The Portfolio Holder needed to agree the appointment as the Council is the "host" authority for the receipt, making of payments and contractual arrangements of the consultant.

8. Following the appointment of PCA Holdings Limited, the Consortium's Operational Group have been holding regular monthly meetings with them to monitor progress. The consultants have drafted the Memorandum of Understanding between each of the six partner authorities which will be agreed by the Operational Group and will create the contractual arrangements.

9. In addition, a Specification has been drafted which sets out the detailed operation of the joint Choice Based Lettings Scheme and the service requirements for the provision of the routine operational management of the Scheme by an external Choice Based Lettings Agency (CBLA). The Housing Scrutiny Panel considered the draft Specification at its meeting on 11 September 2006, their recommendations will be reported to the Portfolio Holder orally. The Portfolio Holder is asked to consider the draft Specification attached as an appendix to the agenda. The main non- administrative issues to draw attention to appear to be:

- Two week advertising cycle of available properties (paragraph 1.6)
- Number of "bids" or expressions of interest per advertising cycle (paragraph 1.6)
- Option of including of photographs of properties (paragraph 2.5)
- Feedback to applicants showing the outcomes of properties advertised (paragraph 2.6)
- Ability to promote other housing options in the freesheet (paragraph 2.8)
- Provision of the Scheme User Guide (Paragraph 2.10)
- Various methods of "bidding" (paragraph 6.2)
- Arrangements for short listing applicants (Section 7)
- Monitoring "bidding" patterns of vulnerable applicants (Paragraph 9.3)

10. Although agreement is sought on the draft version, it should be noted that the final version cannot be agreed until all partner authorities have had the opportunity to consider the Specification.

11. The Specification is the key document that will be sent to tenderers, inviting bids on how they would act as the CBLA and at what costs. Other documents include:

- Tendering requirements
- Form of Tender (giving breakdown of costs)

12. It has been agreed by the Operational Group that each of the partner authorities will have its own contract with the Choice Based Lettings Agency, the detail of which will be agreed with the successful tenderer.

13. Members have agreed a budget of £40,000 for 2006/2007 to meet the set up costs. It is expected that the remaining DCLG grant of £38,000 will meet most of the remaining set up costs. However, the consultants estimate that an ongoing budget of around £25,000 will be required, the main costs being the periodic publication. Budget provision of £35,000 per annum is currently being included within the Housing Revenue Account from 2007/2008.

14. Following detailed consideration of the draft Specification by the Housing Scrutiny Panel, the Portfolio Holder is asked to endorse the Specification for the operation and management of the Choice Based Lettings Scheme by the CLA . In addition, due to the fact that other authorities within the Consortium may have differing views on the detail of the Specification, it is suggested that the Head of Housing Services be given delegated authority to agree, on behalf of the Council, the final version of the Specification, generally in line with the draft version.

15. When the Specification has been given final approval by all the partner authorities in the Consortium, the consultants will seek expressions of interest in accordance with the EU Procurement rules. Tenders submitted by interested CBLA's will, in accordance with the Council's Standing Orders, will be opened by the Portfolio Holder. The Operational Group will draw up a selection criteria based on quality and price and those short-listed will be invited to attend a selection interview. The selection panel will comprise of one officer representative from each of the partner authorities with the consultant being in attendance in an advisory role. A report will be submitted to the Housing Portfolio Holder seeking approval for the appointment of preferred the CBLA.

16. The Portfolio Holder is asked to note that, although the an initial target date for implementation was suggested at April 2007, due to the complexities of the implementation, which include meeting time-consuming EU Procurement rules, it is likely that there will be a delay. However, officers are confident that the scheme will commence some time during 2007/2008.

Consultation undertaken:

17. The Tenants and Leaseholders Federation were consulted on an earlier draft of the Specification at their meeting on 29 August 2006; their comments will be reported orally. A further consultation exercise will be undertaken on the detailed operation of the scheme with all applicants on the Housing Register, all tenants and interested external agencies.

Resource implications:

Budget Provision: Set up costs and on going costs funded from the Housing Revenue Account £35,000 per annum

Personnel: N/A

Land: N/A

Community Plan/BVPP Ref : N/A

Relevant statutory powers: Housing Act 1996 Housing Acts 1985

Background papers: Specification attached

Environmental/Human Rights Act/Crime and Disorder Act: N/A

**Initialed as original copy by
Portfolio Holder:**