

Report to the Housing Scrutiny Panel

Date of Meeting: 30 April 2007

Portfolio: Housing – Councillor D Stallan

Subject: Choice Based Lettings

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Committee Secretary: Adrian Hendry



Recommendation:

That progress made on the implementation of the Choice Based Lettings Scheme for all the Council's vacant social rented properties be noted.

Report:

Withdrawal of Uttlesford District Council

1. At its meeting on 30 January 2007, the Panel were updated verbally on progress being made with Choice Based Lettings (CBL). It was reported that following Uttlesford District Council's withdrawal from the Consortium, they were visited by both the Department of Communities and Local Government's (DCLG) Choice Based Lettings (CBL) advisor, and a representative from the Government Office who encouraged them to re-consider their decision. At a meeting of their Members on 18 January 2007, Uttlesford District Council agreed to re-join the Herts and Essex Housing Options Consortium (HEHOC). As a result of this decision, the consultants employed to project manage the implementation, advised that the current procurement process for appointing the Choice Based Lettings Agency (CBLA) had to be abandoned. This was due to the number of authorities published in the original Open Journal of the European Union (OJEU) Notice increasing from five to six.

2. As a result, the procurement process had to be re-started, which will delay implementation by three-months leaving a new target date of around October 2007. The Panel raised concerns about the Council's costs increasing due to Uttlesford District Council's actions. It was reported at the meeting that officers from the five other authorities in the Consortium were investigating the costs incurred in liaison with the consultants. The consultant's have now confirmed they spent an additional three consultancy days dealing with the matter at their standard rate of £650 per day. In addition, as a fresh OJEU Notice needs to be published, this would incur a further cost of £1,000. Following negotiations with Uttlesford, the Consortium felt that they should meet the consultancy costs of £1,950 with the cost of the Notice being met from the DCLG grant. Uttlesford have agreed with this proposal.

3. The fresh OJEU Notice was placed at the end of January 2007 seeking expressions of interest from companies experienced in managing CBL. Although 12 expressions of interest were received, only 5 completed the Pre-Qualification Questionnaire (PQQ). Four of these companies have been short-listed and will be invited to tender. Selection interviews with the Consortium are scheduled on 11 May 2007, with the successful CBLA being appointed early in June this year.

Contractual Arrangements

4. The Consortium agreed that each of the six authorities would enter into separate contracts with the successful CBLA. On this basis, should any authority decide to withdraw, there would be no contractual implications to other Consortium members. In addition, should any one authority wish to enter into different day-to-day management arrangements for the scheme, they would be in a position to negotiate separately with the supplier.

5. However, due to the separate contract arrangements, it is important that each of the six authorities demonstrate a shared commitment to the scheme. Therefore, the consultant has drafted a Memorandum of Understanding (MOU), which sets out the terms and conditions to which each authority will comply. The draft MOU has yet to be considered by Legal Services, a copy of the draft is attached as an appendix to the report in order to give Members an indication of its content.

6. A report is being submitted to the Housing Portfolio Holder seeking authority for the Head of Housing Services (or Assistant Head of Housing Services) to sign the final version of the MOU.

Consultation

7. It was also reported at the last meeting that a consultation exercise had been undertaken with all tenants, through Housing News. The tenant's magazine was also sent to all leaseholders and applicants seeking their views on the scheme. Around 11,000 were sent out with 291 responses (2.9%) being received. The response rate from housing applicants was 5.5%. A copy of the analysis, listing responses to each of the questions, is attached as an appendix to the report. As can be seen, generally, all those responding appear to be in favour of the Choice Based Lettings Scheme. Two areas of concern appear to be that 41.8% of those responding stated they do not know what priority band of the Allocations Scheme they are in, with 47.4% not feeling they have been informed since they made their housing application. However, all applicants are formally notified of their banding when they first register, when there is a change in circumstances or if they write in and request the information. In addition, following the review of the Allocations Scheme, which takes effect from 2 April 2007, all applicants will receive a letter informing them of their banding.

Phased Implementation

8. As stated, the target date for implementation is October 2007. However, both Broxbourne Borough Council and Chelmsford Borough Council have reported to the Consortium that they will not be in a position to go live at this time. This is due to Broxbourne recently completing a large-scale voluntary transfer of their housing stock to a housing association, and Chelmsford reviewing their Allocations Scheme moving from a points to bandings priority scheme. Both authorities expect to implement the scheme in January 2008, and have agreed to meet any resultant costs, which may be incurred by the other four authorities.

9. The Housing Scrutiny Panel is asked to note the progress made to date on the implementation of the Choice Based Lettings Scheme. The Tenants and Leaseholder's Federation will also be updated at their meeting on 9 May 2007.