

NORTH LINCOLNSHIRE COUNCIL

**HOUSING AND STRATEGIC PLANNING
CABINET MEMBER**

CHOICE BASED LETTINGS UPDATE

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To provide an update on progress made towards implementing Choice Based Lettings (CBL) for North Lincolnshire.
- 1.2 To approve the decision-making arrangements for the project.
- 1.3 To approve key project decisions.

2 BACKGROUND INFORMATION

- 2.1 Choice based lettings are a new way to allocate social housing; private rented and shared ownership homes. Properties are advertised and eligible applicants from the authority's housing register express an interest (bid) for the home they want. The person with the highest need for the property is then allocated it by the relevant landlord. The policy objectives and benefits of adopting a CBL scheme were outlined in an earlier cabinet member report.
- 2.2 The government expects all local authorities and housing associations to have implemented CBL by 2010, approximately 50 percent of authorities have already done so. The government made available set-up funding for schemes that would operate on a sub regional basis requiring a common housing register and a common allocations scheme across the partnership. The aim is to simplify access to housing.
- 2.3 North and North East Lincolnshire Councils (NELC) together with Shoreline Housing Partnership, Havelok Homes and North Lincolnshire Homes (NLH) successfully bid for this funding. The grant will pay for 60 percent of the capital and 40 percent of the revenue costs of the scheme – subject to a combined maximum of £97,300. NELC is administering the grant on behalf of the partnership, and the council approved match funding through its capital funding procedures.
- 2.4 Progress to date has included appointing a project manager, establishing a project board comprising strategic and operational officers from all of the partner organisations. The board members have also visited a successful district CBL scheme, which is about to be extended to a sub regional scheme.

- 2.5 The Project Manager has now prepared a feasibility study that identifies a number of work strands that need partnership agreement in order to progress and meet the implementation timetable outlined in the funding bid, these are;
- ◆ Scheme Model
 - ◆ Procurement route for ICT
 - ◆ Common Allocations Policy
 - ◆ Scheme identity and branding
- 2.6 There is some concern that five partners' decision-making processes could delay the project timetable. It is important therefore to identify the key policy decisions that should be made by the cabinet member and operational issues that can be determined by officers on the project board.

3 OPTIONS FOR CONSIDERATION

3.1 Decision Making

3.1.1 To allow decision-making to be devolved to officers representing the council on the project board, all decisions to be made by the cabinet member Housing and Strategic Planning, or a clearly defined list of key policy decisions that need to be approved by cabinet member and agreement on those issues that can be agreed by officers. Decisions and a steer on the following issues are also required now.

3.2 Scheme Model

3.2.1 The feasibility study gives a number of different models that could be adopted, assuming that going it alone is not an option that would enable the partnership to access the government grant. These include;

- ◆ The two local authorities leading in their respective areas administering their own portion of the common housing register with landlords advertising and letting their own properties
- ◆ One centralised register administered by one local authority acting on behalf of the partnership
- ◆ The two Large Scale Voluntary Transfer (LSVT) Housing Associations administering the housing register on behalf of their respective council
- ◆ One LSVT or another Housing Association administering the centralised housing register on behalf of the partnership.

3.3 IT Procurement

3.3.1 There are a number of IT systems for CBL that are either 'add on' modules to existing systems, (not suitable for all partners) or stand-alone systems. The project can either procure new IT itself or can access a framework agreement offered to member authorities of the Northern Housing Consortium (NHC).

3.4 Common Allocations Policy

3.4.1 For customer ease and consistency most schemes have introduced a common allocations policy. Some projects have taken years to agree these. The project manager and allocations staff in all the partner organisations have examined a number of allocations policies already in use by CBL schemes. A policy was chosen as the best to adapt to our area. It is now proposed to consult internally with partners, prior to approving a draft policy for public consultation.

3.5 Scheme identity and branding

3.5.1 Sub regional schemes have one name and identity, a branding across the sub region with clear reference to partners. Customers only have to apply once to access any of the landlords' properties they are eligible for. Specialist advice recommends a short, memorable name that reflects the product. Neighbouring authorities in Lincolnshire are working on sub regional schemes so this area needs to choose an identity quickly if it wants any geographical reference in the name.

4 ANALYSIS OF OPTIONS

4.1 Decision Making

4.1.1 Decision-making by officers alone would not be acceptable under the normal political decision-making and scrutiny arrangements of the council. Making all decisions via the council and board processes would delay the project. To meet project timescales, it is proposed that key decisions be referred to the Cabinet member for housing for approval. Operational decisions, analysis of options and recommendations for partner organisations to consider, would be made at the project board level.

4.2 Scheme Model

4.2.1 Web based IT enables all the partners to have full access to add information and analyse the housing register, irrespective of where it is based. Any one of the partners could host the scheme and recharge proportional costs to the others.

4.2.2 The board favoured one organisation acting on behalf of the partnership, however, none of the partners has yet to offer to do this. The council is still responsible for maintaining a housing register and for implementing CBL so could consider delivering this service on behalf of the partnership.

4.3 IT Procurement

4.3.1 A full tendering exercise is likely to take at least sixteen weeks at a possible cost of £50,000, as the costs fall within EU procurement rules. This would affect the budget available and project timescales.

North and North East Lincolnshire Councils' joint procurement team has examined the framework agreement in place with the Northern Housing Consortium, and approved the use of this if the IT system meets the project requirements; this is the partnership board's preference.

4.4 Common Allocations Policy

4.4.1 A common allocations policy with NLH already exists. The option now is to develop a common policy across the partnership, or to maintain separate eligibility/waiting list criteria. Use of separate policies will add to the IT costs of the scheme and is also likely to cause public confusion. A common policy would still allow for local lettings arrangements such as household/age restrictions on certain properties providing they are clear in the scheme.

4.4.2 It is recommended that the partner organisations consider the draft policy, and the cabinet member approve a draft before it then goes out to full public consultation.

4.5 Scheme Identity and Branding

4.5.1 It is recommended that the principle of one scheme name is accepted and the cabinet members views on geographical names are sought. Separate branding for the scheme for the two council areas, or for all the partners is likely again to cause confusion, some multiple applications and increased cost.

5 RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Until the design of the scheme has been agreed the final costs of the scheme implementation and ongoing revenue costs cannot be established. An exercise to find the current cost of the housing register and allocations processes is now being carried out. Savings are likely to be made by our partners and not by the Council as NLH is currently funding this process. Existing CBL schemes show scope for staff savings and economies of scale.

5.2 The major project cost is the purchase of the IT system. This will be covered by the Department for Communities and Local Government (CLG) grant and capital budget already approved by the council. The IT cost is more than originally budgeted but the project board is considering virements between budget headings to resolve this. Given the recovery work required by last years flooding the authority is not in a strong position to host the system.

5.3 If the authority decides to manage the system on behalf of the partnership then this would have minor property implications for the minimal staff and the associated IT hardware.

6 OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

- 6.1 Whilst the introduction of CBL is not statutory, it is government policy for authorities to introduce CBL by 2010. It is a commitment under the joint housing strategy and a promise in the NLH transfer offer document that may have implications for our comprehensive area assessment.
- 6.2 The environmental implications are potentially positive. CBL allows applicants to apply for housing on line or by telephone – saving office trips. CBL has been shown to improve community sustainability and reduce the number of times households move house. This increases efficiency reduces empty homes and the repair work involved in re-letting.
- 6.3 CBL has had a positive impact on diversity providing open transparent access to a housing register for all groups and appropriate housing to be allocated to those in greatest need.
- 6.4 The CBL scheme will need to ensure that vulnerable households do not miss out. Modern schemes have taken positive steps to ensure this does not happen which this scheme will need to learn from and apply.

7 OUTCOMES OF CONSULTATION

- 7.1 All the partners and other Housing Associations were consulted prior to the bid submission to CLG. The partnership board is however still trying to develop a consensus on some key issues.
- 7.2 The Joint procurement team for the two councils was asked about the use of the framework agreement arranged by the NCH. The team has suggested that use of these agreements is considered best practice.

8 RECOMMENDATIONS

- 8.1 Approve the decision-making arrangements proposed at 4.1 with key decisions being brought back to Housing and Strategic Planning Cabinet Member briefings.
- 8.2 Support the principle that one organisation manages the scheme on behalf of the partnership and offer to manage the CBL scheme if necessary.
- 8.3 Approve the use of the Northern Housing Consortium framework agreement for CBL IT subject to the system meeting the partnerships' specification.
- 8.4 Approve the principle of consultation on a common allocation policy and that a draft document be prepared for formal consultation.
- 8.5 Approve the recommendation for a single branding for the project 4.5 above. The Cabinet Member's views are also sought on any geographical identity for the project.

HEAD OF STRATEGIC REGENERATION, HOUSING AND DEVELOPMENT
SERVICE DIRECTOR NEIGHBOURHOOD AND ENVIRONMENT

Pittwood House
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB

Author: Claire Startin

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Background Papers used in the preparation of this report

Cabinet Report 'Choice Based Lettings' October 2007

Northern Lincolnshire Sub-Regional Choice Based Lettings Partnership Board papers.