

REPORT TO CABINET

REPORT OF: Portfolio Holder for Organisational Development and Housing

REPORT NO: TSE00040

DATE: 4th January 2010

TITLE:	Choice Based Lettings	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Key Decision	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Cllr Paul Carpenter, Portfolio Holder for Organisational Development and Housing	
CONTACT OFFICER:	Jane Booth, Service Manager, Tenancy & Neighbourhood Services 01476 406631 j.booth@southkesteven.gov.uk	
INITIAL IMPACT ASSESSMENT:	Not at this stage	Full impact assessment Required:
Equality and Diversity		Not at this stage
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	Working documents and financial analysis	

1. RECOMMENDATIONS

Cabinet is asked to agree in principle to:

1. The introduction of a Choice Based Lettings scheme (CBL)
2. A partnership approach in preference to a stand alone scheme

Subject to 1 and 2 above Cabinet is asked to provide authority to:

- (i) The service managers for Tenancy & Neighbourhood Services and Housing Solutions to progress negotiations with Peterborough City Council (PCC) to conclude an agreement to provide the Choice Based Letting scheme on behalf of SKDC subject to being within the indicative costs identified;
- (ii) Delegate, to the Portfolio Holder for Organisational Development and Housing, being satisfied with the contractual arrangements and the outcomes of a full equality and diversity impact assessment, and comments received following public consultation, to make the final decision on the Choice Based letting scheme to be adopted.

2. PURPOSE OF THE REPORT

CBL aspires to create a more customer focussed and transparent approach to housing allocations as customers are able to make decisions about their housing future; for SKDC it also provides the opportunity to integrate its housing register (waiting list) function with its statutory housing advice/homeless service.

Government expect all local authorities to adopt a choice based lettings approach to housing allocations from 2010 and in publishing statutory guidance on CBL is encouraging local housing authorities to consider possible joined up approaches on a sub-regional basis.

This presents South Kesteven with a number of options which have been evaluated and shown on the attached template (Appendix 1).

3. DETAILS OF REPORT

Benefits of a CBL scheme

- Customers are given more of a say of where they want to live and allowed greater choice
- Increased motivation and enthusiasm of staff delivering the service
- Improved customer access via; website, phone, text, email, advertisement boards and face to face contact
- Allows greater mobility across housing market area boundaries
- There is the potential for involving private sector landlords – at a cost to them
- Faster response times in relation to applications, housing options, bidding and the letting of properties
- Providing support to vulnerable applicants through a variety of ways

Options to deliver a CBL service

1. The SKDC ‘Stand Alone’ Option

There still remains an option to implement our own scheme for which Council has already provided one off funding of £150,000 in our 2009/10 budget. Management of this option will sit with both Tenancy Services and Housing Solutions.

The cost of providing a stand alone scheme is £328,268 per annum plus £70,000 one off set up costs. The timeline for delivering this option would be 12 – 18 months.

There will be HR implications with a stand alone option due to the changes in the delivery of the service. These need to be fully evaluated and appropriate consultation undertaken.

2. Peterborough Homes CBL

South Kesteven is within the Peterborough Partial Housing Market Area along with Peterborough City, Rutland and South Holland councils and as part of the assessment of the options available to us we contacted Peterborough City Council (PCC) to discuss the possibility of joining their existing scheme.

Peterborough City Council has operated a successful CBL scheme for a number of years and officers have undertaken further evaluation of a range of options along with officers from South Holland DC.

PCC has provided indicative costing for 3 options as requested. All costs are subject to negotiation. Budget provision has already been made, within the general fund and housing revenue account, in 2009/10 for one off implementation costs, but these will need to be taken forward into 2010/11 as part of the budget process.

With all of the following options SKDC would retain some of the elements of the landlord function and Appendix 1 shows an analysis of the processes undertaken by option.

The three options are:

Option 1: Management of all housing register and nomination functions, including: logging applications, assessing eligibility/bands, managing the nomination process (not viewing and offers) and all contact with customers. This will include the advertising of vacant properties and managing the bidding process. To provide an outreach service at SKDC offices in Grantham and Stamford/Bourne 3 days per week, to log housing register applications. SKDC will have full access to PCC CBL systems.

Annual costs: £348,370

Option 2: Advertisement of vacant properties and managing the bidding process. SKDC to log housing applications on the PCC CBL system and continue to provide front line service to applicants.

Annual costs: £294,024

Option 3: As per No. 1 except PCC only providing remote access service (telephone/email) to customers. SKDC officers would retain responsibility for face to face contact with customers.

Annual costs: £317,909

The above options do not include PCC providing housing options and homelessness advice. This service will be retained by SKDC as a statutory function.

For all of the above options, there would be potential one off costs amounting to approximately £120,000.

Advice from our HR&OD service suggests that the Transfer of undertakings Protection of Employment (TUPE) regulations would apply.

4. OTHER OPTIONS CONSIDERED

There remains an option to maintain our existing approach but it is not regarded to be prudent having regard for legislation, guidance and likely impact on future inspections. We were also involved in discussions to join a single Lincolnshire Sub-Regional Scheme but have not been a party to those discussions since June 2009 when it became apparent that the single scheme approach was not progressing and two solutions were being drawn up along housing market areas.

5. RESOURCE IMPLICATIONS

Appendix 1 shows an analysis of processes undertaken by option and includes an indication of costs compared to the cost of currently providing the service. These figures show that PCC option 2 is £23,000 less than the current cost of delivery of our lettings service (£317,130), option 3 is just £1,000 more and option 1 is £31,000 more. As explained above, the costs provided by PCC are subject to negotiation.

The cost of delivering a stand alone system would be approximately £328,000 with one of set up costs in the region of £200,000.

6. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

A full risk assessment will be carried out once the preferred option is agreed.

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

None at this stage. Once a preferred option is agreed the appropriate assessment will be undertaken.

8. CRIME AND DISORDER IMPLICATIONS

None at this stage.

9. COMMENTS OF SECTION 151 OFFICER

The recommendation in the report is to agree to the introduction of choice based lettings service from 2010/11. Discussions are underway to determine the most cost efficient and effective way of delivering this service. Preliminary costings have been prepared and advanced discussions have been held with Peterborough City Council as a potential provider of the service on behalf of the District Council. From a financial perspective this would reduce the level of the set-up costs and the Authority would benefit from utilising an existing infrastructure that is currently delivering CBL. Cabinet are reminded that any set up costs and ongoing revenue costs will be shared (as appropriately) between the General Fund and the Housing Revenue Account. Should Cabinet support the recommendations in the report then the actual cost implications will be incorporated into the budget proposals to be presented to Cabinet at their meeting on 1 February 2010.

10. COMMENTS OF MONITORING OFFICER

The Allocations Code provides guidance on considerations which authorities should take into account when consulting on changes to their allocation scheme, or before they adopt a new scheme and this will include the adoption of a policy of offering choice of accommodation to applicants. It is recommended that the extent of that consultation includes consultation with the following bodies:

- RSLs with which local authorities have a nomination arrangement.
- Relevant statutory partners (such as social services, prisons, probation and primary care trusts)
- voluntary bodies which provide care and support,
- Other organisations which represent the interests of existing or potential applicants who may be socially excluded or disadvantaged by a choice based lettings system. Examples may include groups which represent ethnic minority communities, the gypsy and traveller community, veterans, ex-offenders, and drug or alcohol misusers.
- Existing tenants, applicants and residents.

Furthermore, the policies and procedures on offering a choice of accommodation should be seen in the context of the authority's other housing functions and be compatible with them.

11. APPENDICES:

Appendix 1 – Analysis of processes undertaken by option