

**CAMBRIDGE SUB REGION CHOICE BASED LETTINGS SCHEME
(Report by the Head of Housing Services)**

1. PURPOSE OF REPORT

- 1.1 To request approval for in principle agreement to negotiate a sub regional Choice Based Lettings (CBL) scheme.

2. INTRODUCTION AND BACKGROUND INFORMATION

- 2.1 The Government announced through the ODPM publication *Sustainable Communities: Homes For All – A five year plan* its intention to introduce Choice Based Lettings throughout the country by 2010. It is understood that further statutory guidance from the ODPM is expected by the end of the year.
- 2.2 Choice Based Lettings shifts the onus from the local authority or housing association telling applicants which property they must take to applicants choosing properties. This would be through available properties being advertised and interested households bidding for properties of their choice.
- 2.3 A priority banding system, used to identify a household's priority for housing, will ensure that of those bidding for a property the one in most housing need will be offered the property. The de-personalised results of the bidding round are made available so that unsuccessful applicants can see what band the successful applicant was in. This provides a transparent system with people able to see what properties become available and the priority needed to be offered a particular property in a particular area. Applicants will therefore have information available to inform whether they have a realistic chance of successfully bidding for a property and allow them to decide which areas or properties they wish to bid for.
- 2.4 By offering people choice about where they live it is envisaged that they will be more satisfied, stay longer, pay their rent, look after their homes and invest in and engage with their local communities.
- 2.5 The Government has recently announced a £4m fund for the development of Regional or Sub-Regional Choice Based Lettings Schemes. This fund is to assist local authorities with up to 60% of the implementation costs. The fund is restricted to a maximum £100,000 per bid unless it can be shown that there are exceptional reasons for a higher bid.
- 2.6 Given the short deadline by the ODPM to make a bid (the deadline was 7 October), officers from each of the sub regional authorities have already begun to discuss the possibilities of establishing a sub regional scheme. Each authority is currently going through its member processes to obtain approval to negotiate a partnership approach to CBL. As officers did not wish to miss the opportunity to access ODPM funding to assist with set up costs, in principle agreement was sought

from the Executive Councillor for Housing and Public Health to jointly make the bid.

- 2.7 The potential for Government funding provides an opportunity for local authorities to work together to make overall savings and efficiencies with regard to set up and implementation costs; this would include joint procurement (especially of an IT system) and joint project management.

3. IMPLICATIONS

- 3.1 The Government has indicated that all authorities must provide Choice Based Lettings by 2010. Every authority, including strategic housing authorities that have transferred their housing stock, are expected to take an active role in implementing CBL in their own areas. Officers had already started discussions with housing association partners in this district about implementing CBL prior to the announcement of the ODPM bidding round. By not taking this opportunity to work with other authorities in the sub region and potentially access central government funding stream, the Council risks having to meet the total set up costs of a scheme, including the procurement of a stand-alone system at a later stage.
- 3.2 Estimates were obtained from IT providers currently supplying CBL software systems to other councils and housing associations. Estimates of project managing the implementation, together with consultation and promotion costs were also made, giving total set up costs of approximately £268,000. The bid made to the ODPM is for £161,000 (60% of these costs). The result of the bid should be known by the end of November.
- 3.3 If the bid is successful the sub regional authorities would then be required to negotiate a cost sharing agreement to cover the remaining set up costs. If the bid secures £161,000 from the ODPM the remaining set up costs, if distributed equally amongst the sub regional authorities, would be approximately £15,000. If the ODPM limits the funding to £100,000 the approximate set up cost to each partner would be £24,000.
- 3.4 Cabinet previously approved an MTP bid for £52,000 to procure a new Common Housing Register IT system in 2005/06, although this has yet to be authorised for release. The implementation of a Common Housing Register for the district had been delayed in light of the government announcements on the introduction of CBL. The CBL IT system that the sub regional partnership would procure will perform this function. The MTP bid also covered ongoing IT maintenance costs of £5,000 per annum. It is estimated that the sub regional CBL system would require an annual maintenance contribution of £5,500.
- 3.5 The ongoing revenue cost of operating a CBL scheme is currently unclear. The main costs will be those incurred in the advertising process. Advertising would be through a variety of media, including the local press. As an example of advertising costs, Peterborough City Council, with a total social rented housing stock that is slightly larger than Huntingdonshire's, has implemented CBL and estimates it spends £30,000 per annum on advertising in the local press. The sub regional partnership would jointly negotiate advertising rates with the local press groups.

- 3.6 Whatever our financial contribution is deemed to be, capital and revenue, we will be seeking to enter into cost sharing agreements with the housing associations with housing stock in the district that would benefit from the scheme.

4. CONCLUSIONS

- 4.1 Government has set a target that all social rented housing in the country should be let through CBL schemes by 2010. It is likely that this will become a legal requirement. The Council had already taken a decision to implement a Common Housing Register system and this is the first step towards a CBL system. An MTP bid has been approved for the IT system to progress a Common Housing Register.
- 4.2 The opportunity has arisen to access ODPM funding on a sub regional partnership basis to assist with the set up costs of a CBL scheme. A bid has been made by the sub region with an announcement of the successful bids due at the end of November. If successful this will allow the sub region to progress negotiations to implement a partnership CBL scheme.
- 4.3 Once the outcome of the bid is known further negotiation will take place with sub regional partners in order to progress the scheme. This will include negotiations on a cost sharing agreements covering the set up costs and detailed analysis of the ongoing revenue costs of the scheme. A future report will be presented to Cabinet once these are known.
- 4.4 Initial costings indicate that joint procurement of a CBL IT system would achieve a saving on the MTP provision of £52,000 but the ongoing revenue costs would need to be identified and provision made.
- 4.5 By being part of this partnership the Council can benefit from the efficiencies that may be achieved, for example through joint procurement. It will also reinforce Huntingdonshire's partnership approach to the Cambridge sub region and ensure that we meet the deadline of implementing CBL by the target date of 2010.

5. RECOMMENDATIONS

- 5.1 The Cabinet is recommended to agree in principle to work in partnership with other local authorities and housing associations in the Cambridge sub region on a sub regional Choice Based Lettings scheme.

BACKGROUND INFORMATION

Sustainable Communities: Homes For All – A Strategy for Choice Based Lettings (ODPM)

ODPM Choice Based Lettings Bidding Guidance

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