

## **CHOICE BASED LETTINGS**

### **1 SUMMARY**

- 1.1 The purpose of this report is to seek Members support for a bid to the Department for Communities and Local Government (DCLG) for funding for a sub-regional Choice Based Lettings (CBL) scheme.

### **2 INTRODUCTION**

- 2.1 “Homes for All” the Government’s 5-year housing plan sets out the Government’s plans for taking forward its CBL policy. The aim is to have in place nationwide choice by 2010. The Government wants to build on this target by extending choice based lettings to not only local authority and housing association properties but also low cost home ownership options and properties to rent from private landlords.
- 2.2 CBL provides a radical alternative to traditional systems for allocating social rented housing. Instead of allocating properties as part of an administrative process CBL requires the active participation of applicants and involves advertising and ‘bidding’ for properties. The system does nevertheless remain firmly based on the principle that social housing should be used to meet priority housing need.
- 2.3 CBL schemes comply with the Government agenda on choice, they provide a fair, transparent and understandable system and they provide an applicant centred approach that enables households to be proactive in addressing their own requirements. CBL systems can improve management of the stock and raise customer satisfaction levels.
- 2.4 There is no single detailed CBL template .A number of different schemes have been developed to reflect local circumstances.

### **3 FUNDING**

- 3.1 The Government has indicated that it prefers to see local authorities operating CBL through regional or sub-regional systems recognising that housing markets do not follow local authority boundaries. Funding of £4 million over three years is being provided to support social landlords who are keen to work together to create such schemes. The deadline for bids is 29 September 2006
- 3.2 Over and above increased choice and flexibility in meeting tenants needs, regional and sub-regional schemes enable partners to share ICT and advertising costs; for Registered Social Landlords (RSLs) they reduce the costs of being involved in several different schemes; they enable greater mobility, break down artificial barriers and recognise existing housing and labour markets. They bring together a larger pool of available housing giving

home-seekers more choice and helping to ease localised problems of high demand.

- 3.3 The DCLG will not fully fund any scheme. It is willing to contribute up to 60% of the costs of developing a CBL scheme, usually up to a maximum of £100,000. As the largest element of the development costs is likely to be ICT and the project management required to implement this, funding is normally made on the basis of 60% capital and 40% resource funding.
- 3.4 In the light of the Government guidance and the funding opportunity the Thames Gateway South Essex (TGSE) sub region members have decided to explore the possibility of developing a sub-regional CBL scheme and to bid for funds.

#### **4 PROPOSAL**

- 4.1 The five local authorities in the TGSE are all at different levels in the development of local choice based lettings. This ranges from a traditional points based system in this district to a fully implemented scheme in Thurrock.
- 4.2 The sub-regional approach will incorporate the main RSL partners who have existing nomination agreements. It is expected that joint collaboration will incorporate the existing range of schemes currently being operated, whilst in the medium term there is an aspiration to work towards a common approach in the allocation of properties.
- 4.3 The aim is for the scheme to be used for letting all local Authority and RSL rented properties in the sub-region. This will include lettings to new applicants as well as transfers.
- 4.4 Vacancies will be advertised to eligible applicants through a variety of media and they will be invited to 'bid' for any property they wish to be considered for. The scheme will have to be as accessible as possible to all potential users and information provided in a clear and accessible format. Arrangements will be put in place to provide assistance with bidding where this is needed.
- 4.5 At the end of each 'bidding cycle' each local authority will analyse the 'bids' received for their area and offer each property following a prioritisation and selection process in accordance with their own allocation scheme. Generally the property would be offered to the applicant who had 'bid' for the vacancy and was either in the highest band and registered the longest or had the most points depending on whether a banding or points based scheme was being operated.
- 4.6 This means that in Rochford for instance, any vacancies will continue to be allocated to applicants who meet the criteria set out in the Council's allocation policy and have the necessary priority.

- 4.7 It is proposed that 100% of social rented homes would be advertised as part of the scheme with the exception of certain individual vacancies that, for various reasons, would need to be taken out of the CBL process.
- 4.8 Development of the scheme will increase the opportunities for customers through the 'housing options' approach within the private and affordable housing markets. With regard to the issue of mobility lettings (moves between local authority areas) the percentage will be agreed between the sub-regional members.
- 4.9 It is proposed to appoint a CBL agency to manage the operational process. This will include the production, publication and distribution of a periodic vacancy magazine, telephony, information technology and electronic and manual receipt of bids.
- 4.10 The TGSE sub-region intends to procure an existing agency via a competitive tendering process. This approach will substantially reduce IT complexities, reduce the implementation period and benefit from the agency's market experience.
- 4.11 To support the change process the TGSE propose to appoint a project consultant with experience in implementing and operating CBL schemes. The consultant will be responsible for producing the CBL agency specification, procurement, evaluation, co-ordination of partners and liaison with existing housing IT providers on requirements and costs of modules and interfaces.
- 4.12 Outcomes of the bid are expected to be will be known in November 2006. If successful the CBL consultant will be appointed in March 2007 with a view to implementing the scheme in April 2008.

## **5 RISK IMPLICATIONS**

- 5.1 If the bid is not supported there would be an increased risk of the Council failing to meet the Government target.

## **6 RESOURCE IMPLICATIONS**

- 6.1 The provisional costs of a CBL scheme for the TGSE sub-region are £150,000. In the event the bid is successful the estimated capital/revenue costs that will not be funded by DCLG will be £75,000 and this will have to be met by the partner authorities on an agreed pro-rata basis.
- 6.2 A bid for this Council's contribution will be made through the 2007/8 budget making process.
- 6.3 There would be on-going fees to be paid to the CBL agency but precise details are not known at this stage. Again bids for the necessary revenue budget will be made through the annual budget making process.

6.4 In the event the bid is unsuccessful, there would be increased costs in setting up a CBL scheme.

**7 RECOMMENDATION**

7.1 It is proposed that the Committee **RESOLVES**

To support a bid by the TGSE sub-region for funding for a Choice Based Lettings scheme.

Graham Woolhouse  
Corporate Director (External Services)

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**Background Papers:-**

None

For further information please contact Alison Nicholls on:-

Tel:- 01702 318052

E-Mail:- [alison.nicholls@rochford.gov.uk](mailto:alison.nicholls@rochford.gov.uk)