



GOVERNMENT OFFICE
FOR THE NORTH EAST

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8 July 2005

08 JUL 2005

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Dear *Michael*

CHOICE BASED LETTINGS (REGIONAL) FUND

ODPM is providing £4 million over three years to support the development of regional and sub-regional choice based lettings schemes in England.

"Homes for All", the Government's 5-year housing plan, sets out the Government's plans for taking forward its choice-based lettings (CBL) policy. The aim is to have in place a nationwide system of choice by 2010. "Homes for All" also makes clear that the Government is keen that choice-based lettings systems should operate sub-regionally or regionally, recognising that housing markets do not follow local authority boundaries.

We are making money available this year by means of a bidding process. Details about the scope of bids and the areas and issues which ODPM is particularly interested in seeing bids cover are given in the enclosed bidding guidance. The bidding guidance also provides details of the funding arrangements. In selecting bids for support, the Government is keen to assist the development of *new* sub-regional and regional CBL schemes. Accordingly, as a general rule, we will not be prepared to support bids which involve no more than the expansion of existing sub-regional schemes, ie where schemes are merely taking on new partners.

The attached papers include a pro-forma, bid instructions sheet, for your authority to use in compiling a proposal, if you wish to bid. Bids are invited by 7 October 2005.

We would encourage local authorities to take a partnership approach which brings together all stakeholders in the scheme area to develop and deliver choice-based approaches. And in particular we want authorities to involve RSLs in putting together bids. To ensure a two-way dialogue, the Housing Corporation will also be writing to registered social landlords informing them about the funding scheme and encouraging them to get in touch with the local authority or authorities in whose areas they operate.



INVESTOR IN PEOPLE

Bids will be initially evaluated by each relevant Government Office. A shortlist will be drawn up by a panel made up of representatives from ODPM, the Housing Corporation, together with one Government Office representative. Ministers will take the final decision on which schemes to support. It is hoped to announce the winning bids by the end of November.

If your authority wishes to bid, proposals in line with the bidding guidance should be sent to

Karen Wrigley
Deputy Head Housing Team
Government Office North East
Citygate
Gallowgate
Newcastle Upon Tyne
NE1 4WH.

Bids should arrive with the Government Office no later than 7 October.

A copy of the bid should also be sent to:

Ms Frances Walker
Zone 1/H4
Housing Management Division
Office of the Deputy Prime Minister
Eland House
Bressenden Place
London
SW1E 5DU.

If you have any general enquiries about this letter and the enclosures, or if you consider that it would be helpful to discuss your ideas or initial proposals before submitting a bid, please do not hesitate to get in touch with your Government Office contact. Alternatively you may wish to contact Frances Walker at the ODPM at frances.walker@odpm.gsi.gov.uk or telephone 020-7944 3666.

A copy of this letter only is being sent to the Chief Executive of your authority.

Yours sincerely



DIANA PEARCE
Director for the Built Environment



Office of the
Deputy Prime Minister

Creating sustainable communities

Fund for the development of regional and sub-regional choice based lettings schemes

Bidding guidance



Office of the
Deputy Prime Minister

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Bidding guidance

July 2005

Office of the Deputy Prime Minister: London

The Office of the Deputy Prime Minister
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A. Policy context

1. The 5 year housing plan, *Homes for All* – published on 24 January 2005 – sets out the Government's plans for taking forward its Choice Based Lettings (CBL) policy.
2. The aim is to have in place a nationwide system of choice by 2010. The Government wants to build on the existing ODPM CBL target – for all local authorities to have adopted choice by 2010 – by extending choice based lettings to cover, not only local authority and housing association properties, but also low cost home ownership options and properties for rent from private landlords.
3. We also want to see CBL schemes developing on a regional and/or sub-regional basis. We believe that such schemes, involving a partnership of local authorities and registered social landlords – and working together with private landlords wherever possible – are the best way to achieve the greatest choice and flexibility in meeting tenants' housing needs.
4. We believe that there are a number of benefits from larger, cross-local authority, schemes: they enable partners to share ICT and advertising costs; for RSLs they cut the costs of being involved in several different schemes; they enable greater regional mobility; they break down artificial boundaries and recognise existing housing and labour markets: and they bring together a larger pool of available housing, giving tenants more choice and helping to ease localised problems of high demand.
5. ***The purpose of the Regional Fund Scheme is to support social landlords who are keen to work together to create sub-regional and/or regional CBL schemes.***
6. The Government also believes that, if people are to make the right choice about their housing, they must be given information and advice about all the housing options available to them, not just the properties which are available through CBL. A housing options approach is likely to involve:

Promoting a wider range of housing options (e.g. shared ownership, low cost owner occupation, the private rented sector, and mobility schemes);

- Making more and better information available about other related housing services e.g. care and repair/staying put initiatives and adaptation services;

One-stop shop; advice centres; and

- Marketing properties and neighbourhoods in low demand areas including targeting new groups of potential customers.

What is a choice based lettings scheme?

7. CBL schemes allow people to apply for vacancies which are advertised (preferably openly, eg in local press or inter-active website). Applicants can see the full range of available properties and apply for any home to which they are matched. The successful bidder is the one with the highest priority under the scheme.

General information about regional funding scheme

8. ODPM is making available £4 million to fund new sub-regional and regional CBL schemes.
9. The money will be available over three years (2005–2008). This will give local authorities and their partners who are unsuccessful in this year's bidding round, or who have not yet developed plans to set up sub-regional/regional CBL schemes, the opportunity to apply for funding in future years. We will consider whether to continue with a bidding process or to adopt another mechanism for allocating the funding in subsequent years, after this year's bidding process is completed.
10. **Applicants are required to submit bids for the 2005/6 round – using the bid instructions sheet enclosed – no later than 7 October 2005. Successful bids will be announced by end November. We would expect to make the funding for year 2005/6 available by end December 2005.**
11. Prospective bidders are invited to contact their relevant Government Office contact (see covering letter) if they have any queries about the bidding process.

Assessment of applications

12. Bids will be initially evaluated by each relevant Government Office. A shortlist will be drawn up by a panel made up of representatives from ODPM and the Housing Corporation, together with one Government Office representative. Ministers will take the final decision on which schemes to support.
13. It is not proposed to interview shortlisted bidders as a matter of course. However, it may be necessary to question applicants about their bid if there is something which requires further clarification. Accordingly, bids should nominate a specific official for contact purposes.

Scope of Sub/Regional CBL Schemes

14. The Department is keen to assist the development of new sub-regional and regional CBL schemes. Accordingly, as a general rule, the Department will not be prepared to support bids which involve no more than the expansion of existing sub-regional schemes, ie where schemes are merely taking on new partners.
15. Successful schemes must involve at least 3 local authority districts (unless bids are able to demonstrate exceptional circumstances). Larger schemes will be prioritised.

16. Schemes must comply with the definition of CBL set out in paragraph 7 above. Lettings policies which merely allow applicants to express preferences, eg for types or locations of properties, do not constitute a CBL scheme.
17. Schemes should be consistent with any CBL policies set out in the relevant regional housing strategy or sub-regional housing strategy.
18. Otherwise, priority will be given to proposals which contain the following features:
 - all or most RSLs, and others owning or managing homes provided through Housing Corporation grant, operating in the area are partners or indicate willingness to be included in the CBL scheme;
 - all (or the majority of) properties of partners within the area covered by the scheme are to be included in the CBL scheme;
 - plans to include shared ownership and low cost home ownership options within the scheme, where relevant;
 - plans to adopt a housing options approach as part of or alongside the CBL scheme;
 - plans to work with the private rented sector;
 - plans to work with the Zone Agent(s) operating in the region;
 - partners operate or have plans to operate a common housing register.
19. In addition, we will be particularly interested in proposals which include one or more of the following features:
 - facilitating applicants and tenants to move between LA districts within the scheme;
 - innovative ways to bring small RSLs on board;
 - common allocation schemes or common prioritisation criteria;
 - a regional or sub/regional disability housing register;
 - innovative approaches to reduce homelessness or the use of temporary accommodation.
20. Bids must indicate whether they have the full support of elected members in all partner LAs and the full commitment of all other partners to the bid.
21. It is for local authorities to satisfy themselves that the proposals which are contained in their bids meet the current statutory requirements in Part 6 of the Housing Act 1996. Statutory guidance on choice based lettings will be issued shortly and this will provide advice on regional CBL.

E. Involving RSLs and other partners

22. It is important that bids are put together with the input and support of RSLs (and others in receipt of Housing Corporation grant) which operate in the local authority areas involved in the scheme. Bids which have the support of other stakeholders and partners, including the private rented sector, are especially encouraged.
23. We recognise that the circumstances of LSVT authorities and their relationship with RSL landlords will be different to that of conventional local authority landlords, particularly where the allocation function has been contracted out. We would encourage LSVT authorities to respond positively to an approach by the stock transfer landlord to get involved in putting together a bid.

We believe that it is important for local authorities to take the lead in developing partnership schemes – because of their strategic housing role, and their statutory housing allocation and homelessness duties. For this reason, we will not fund RSLs directly. However, we would encourage RSLs to approach their local authority if they are keen to take part in a regional or sub-regional scheme.

Successful bidders will be expected to liaise with the Zone Agent(s) operating in the area in the development and operation of the CBL scheme.

Consultation

26. Bids should demonstrate that they have been put together following consultation with tenants/and or Tenant Management Organisations and residents in all the local authority areas involved; or that plans are in place to consult with them about the scheme and keep them informed as the scheme is developed.
27. Voluntary agencies which offer housing advice, such as Citizen Advice Bureaux and independent Housing Advice Centres, could have a key role to play in helping people make appropriate housing decisions, and authorities are encouraged to involve them in putting together a bid. Other groups and organisations which have an important role to play include black and ethnic minority community groups, and other statutory agencies. Bids should indicate which other groups and organisations have been consulted in putting together the bid and/or what plans the authority has for including them in developing and implementing the scheme should the bid be successful.

Monitoring and good practice

28. It is expected that schemes which receive ODPM funding will set up their own systems for monitoring and evaluation.
29. ODPM does not propose to commission a full evaluation of the schemes which it supports. However, ODPM may wish to carry out a small scale study of a sample of the

schemes to evaluate how the new approach is working. Scheme partners would be expected to co-operate with the Department, if requested to do so. Lead authorities will also be expected to report to ODPM to confirm that the scheme has been successfully launched.

30. Partners will be expected to share good practice with the relevant Government Offices and ODPM, if asked to do so; and share their experience with other authorities and RSLs who are considering implementing CBL.

H. Costs and funding arrangements

31. ODPM will not fully fund any scheme but is willing to contribute to the costs of developing a CBL scheme. We are prepared to pay up to 60% of the total development costs, with a limit of £100,000 per scheme. In exceptional circumstances, ODPM may be prepared to exceed this figure.
32. The type of development costs which ODPM is prepared to contribute towards include: commissioning ICT, project management, staff training, consultation and dissemination. We are not prepared to contribute towards the ongoing costs of operating a CBL scheme.
33. As we consider that the largest element of the costs is likely to be ICT, the funding will normally be made available on the following basis:
 - 60% capital
 - 40% resource funding.
34. In seeking support bids should specify what contribution they are seeking from the Department.
35. Bids should include a profile of expenditure relating to the proposed scheme.
36. Each bid should identify the total estimated costs of implementing the scheme, and indicate the costs for each partner.
37. Bids should designate the lead local authority to whom payment will be made.
38. Lead authorities should inform the relevant Government Office and ODPM immediately if proposed schemes are to be abandoned. If a proposed scheme is abandoned with ODPM funding wholly or partially unspent, we would expect the unspent monies to be returned.