

Item 4

KEY DECISION

REPORT TO CABINET

DATE 22ND DECEMBER 2005

REPORT OF DIRECTOR OF HOUSING

Housing Portfolio

CHOICE BASED LETTINGS

1. SUMMARY

- 1.1 The Government is committed to driving forward Choice Based Lettings (CBL), to support the allocation of social rented housing and have set a target for all local authorities to have a CBL scheme in place by 2010. The belief is that offering choice with allocation policies is the best way to ensure sustainable tenancies and to build settled and stable communities.
- 1.2 The Government are actively encouraging regional or sub-regional bids from local authorities and other social housing providers to develop CBL, they have invited joint bids from social housing providers to develop such schemes.
- 1.3 The development of CBL will require significant and comprehensive consultation with all key stakeholders to be compliant with housing legislation.

2. RECOMMENDATIONS

It is recommended that Cabinet:-

- 2.1 Approve the continued development of a sub-regional approach to CBL in partnership with the other Durham Local Authorities and key partners as appropriate, including a 2nd phase sub-regional bid to the ODPM for funding for the development and implementation of a CBL scheme.
- 2.2 Receive a further report on the financial implications and the outcome of the bid to the ODPM when resource implications become known.
- 2.3 Note the process and timetable outlined in the report for developing a CBL scheme.

3. DETAILS

- 3.1 Traditionally many Councils have operated "points" based housing allocation systems, that have provided applicants with points according to need, e.g. for overcrowding or lack of facilities. The applicant with the most points, and therefore at the 'top of the list' is the applicant who is offered a home. This is the type of system we currently use and although applicants can state their area of choice on their application form, when they arrive at the front of the queue, provided the available property is in their stated area they are offered the available accommodation.

- 3.2 In 2001 a large scale review of national housing policy culminated in a green paper “Quality and Choice: A Decent Home For All”. One of the themes of this paper, consolidated in the Housing Policy Statement released in “Quality and Choice: A Decent Home For All – The Way Forward for Housing” was the introduction of choice into housing allocation policies.

Following the publication of “Quality and Choice”, bids were invited from authorities who wished to pilot choice-based letting schemes. The Government received 93 bids for 27 pilot projects. The Office of the Deputy Prime Minister (ODPM) published some initial lessons learned from the pilots and continue to provide good practice guidance via publication and information on the ODPM website.

The Government have made it clear that it sees choice of a home as essential to building sustainable communities and has consequently built a target into the Homelessness Act 2002 to require all Councils to have CBL by 2010.

- 3.3 The results of the evaluation of the CBL pilots and subsequent schemes have been generally positive, with the overall findings from the evaluation highlighting:-

- Applicant satisfaction with the opportunity to exercise relatively greater choice;
- Increased understanding of allocations and lettings by applicant;
- Greater relative perception of fairness of CBL compared to points system by applicants;
- Applicant support for the transparency of the CBL;
- Importance of proactive and support services of CBL.

- 3.4 CBL systems are now operating successfully in a wide range of local housing markets. A fundamental message from the evaluation study is that these schemes work in high demand areas as well as low demand areas. Although balancing “need” and “choice” is a challenging issue in high demand urban and rural locations, this can be resolved.

- 3.5 At present no statutory guidance exists for the delivery of CBL, but this is likely to be issued later this year. At this stage only a guide issued by the ODPM to “Implementing and Developing CBL”, is available.

- 3.6 The Government have highlighted six key messages for local authorities and their partners to consider in the preparation of CBL schemes.

3.6.1 Enabling vulnerable groups to participate in CBL

An issue that emerged from the CBL pilot programmes was the initial lack of support for vulnerable households. Innovated approaches are needed to be developed to tackle this challenge.

3.6.2 Meeting the Needs of Homeless Households and Households in Temporary Accommodation

Considerable efforts have been made by the pilots to guard against disadvantaging homeless households. In reviewing or developing CBL schemes the needs of homeless households and of those in temporary accommodation must be met.

3.6.3 Community Cohesion and CBL

An emerging issue the extent to which allocations and letting policies, including CBL, reinforce or change patterns at spatial segregation. Consideration must be given to ensure the CBL schemes do not directly or indirectly exacerbate spatial segregation.

3.6.4 Partnerships Working

The ODPM emphasises the importance of partnership working in developing CBL systems. The ODPM believes schemes that involve only one organisation are unlikely to be able to provide a comprehensive service for applicants.

3.6.5 Monitoring, Reviewing and Enhancing CBL Models

CBL systems must be reviewed and monitored so that improvements are continually made for the benefit of applicants and tenants.

3.6.6 Regional Approach

The Government is keen to see the development of regional and sub-regional CBL systems. Existing local administrative boundaries do not necessarily reflect housing and labour markets and there is a need for allocation and letting systems to take account for this reality.

3.6.7 The ODPM is providing £4 million over three years (2005/06 – 2007/08) to support the development of regional and sub-regional strategies CBL schemes in England. This year the ODPM is making money available using a bidding process. The Government invited initial bids from all housing authorities which were required to be returned to the Government Office by 7th October 2005. Successful schemes will be announced by the end of November and funding will be made available by the end of December 2005.

3.6.8 The GONE and the ODPM have indicated that following the initial bidding round a review will take place on how future resources are allocated.

3.6.9 It is likely that a future round of bidding will take place early 2006 and there will not be a need to wait 12 months.

4. SEDGFIELD POSITION RELATING TO THE KEY MESSAGES

- 4.1 To commence the process of developing a CBL scheme for Sedgfield it is essential that the consideration of partnership working and opportunities for a regional approach be undertaken. On 31st August 2005 representatives from all Durham district authorities met to consider a regional or sub-regional approach. In principle it was felt a common CBL scheme did have merits. Unfortunately not all districts were in a position to pursue a sub-regional funding bid by 7th October 2005 to the ODPM.
- 4.2 A further meeting with the Durham Authorities took place on 19th October 2005 where it was agreed to proceed, subject to the support and endorsement of individual Councils, in partnership with a CBL scheme and prepare for a future funding bid once the ODPM announced the future bidding arrangements
- 4.3 It is considered that we should proceed with the development of CBL as it is felt its introduction would positively contribute to production of a transparent system of allocation that provided a range of applicants in housing need with the opportunity to 'bid' for available accommodation.

5. PREPARATION FOR A CHOICE BASED LETTINGS SCHEME

- 5.1 ODPM guidance outlines an approach in planning and setting up a CBL scheme. They believe there are four key principles that need to be considered to successfully develop and implement CBL, those principles will be embraced to develop CBL in Sedgfield as part of a sub-regional scheme.

5.1.1 Review Existing Allocations System

This is the starting point, which includes a robust assessment of the existing allocations system. The ODPM encourage landlords to make use of the Audit Commissioner's "Key Lines of Enquiry" on allocations and lettings. The robust assessment should involve four aspects:-

- Current position on allocations and lettings;
- Changing nature of the housing market;
- Allocations and local housing policies;
- Allocations and Local Strategic Partnerships (LSP's)

5.1.2 Agreeing A Vision

It is essential that there is a long term "vision" for choice in lettings agreed by local stakeholders. The crucial question is "Why do we want to introduce choice"? It might for instance be about:-

- Providing a fair, transparent and understandable system;
- Developing an applicant central approach that enables households to be proactive in addressing their own requirements;
- Making better use of existing rented stock;
- Improving efficiency in allocations and lettings;
- Meeting the needs of vulnerable households;
- Helping to create sustainable communities and community cohesion.

5.1.3 Route Map

A “map” will be required that identifies the routes for moving from their current position to the vision. A series of changes will need to take place overtime to full establishment of CBL model.

5.1.4 Detailed Policies and Procedures

These should reflect local circumstances and take account of existing schemes so that good practice lessons are learnt and used to meet the needs of housing markets and different priorities. All policies, procedures and processes that are developed must be tested prior to full CBL scheme launch.

6. TIMESCALE

- 6.1 The ODPM guidance suggests that the timeframe for setting up a CBL scheme is likely to take appropriately 18 months to 2 years from initiating a review of allocations and lettings through the launch of a system.
- 6.2 The proposed timescale for introducing CBL in Sedgefield through a sub-regional partnership is likely to go beyond this timeframe due to the need to attain cross organisational decision and agreement on key issues of the CBL scheme.
- 6.3 It would be more realistic to look for implementation within 3 years.

7. CONCLUSIONS

- 7.1 Government require local authorities to embrace CBL, and have a scheme in place by 2010. Additional funding may be available to assist the regional or sub-regional development of such schemes, and a bid for funding will be forwarded to the ODPM when details of the bidding process is released.

8. CORPORATE POLICY IMPLICATIONS

- 8.1 The introduction of CBL will need to be undertaken compliant with the corporate Equality and Diversity requirements, Section 166 of the Housing Act 1996 (as amended by Section 15 of the Homelessness Act 2002) requires housing authorities to ensure advice and information about the right to apply for housing accommodation is available free and that if a person is likely to have difficulty in making an application, any assistance should be provided free of charge.
- 8.2 The Code of Guidance 2002 on allocation of accommodation recommends that written advice and information should be available in a range of accessible formats and languages, and stresses that where an allocation policy (such as choice-based lettings) requires greater participation by the applicant that housing authorities provide assistance for this. CBL's where the onus is on the customer to express an interest in a property can disadvantage people who have difficulties with the written word. Links should be made with support networks for those customers who are vulnerable and likely to be disadvantaged by the system.

8.3 Monitoring of lettings by ethnic origin takes place currently and this would need to be expanded to monitor the effect of any new procedures on black and minority ethnic applicants.

9. FINANCIAL IMPLICATIONS

9.1 It is unclear what resources would be required at this stage, and whether support will be received sub-regionally if the bid to the ODPM is successful.

9.2 A clearer understanding of resource needs for the development and implementation of the CBL scheme as well as for the future running costs would become known when the initial research and fact finding process has been completed.

9.3 It would therefore be appropriate to bring a further report once the outcome of the bid to the ODPM is known and a greater understanding of other future resource implications become apparent.

10. CONSULTATION

10.1 There is a legal requirement on local authorities to consult with RSL's (Registered Social Landlords) about changes to allocations policies and we would ensure that through the process for gaining key partners, RSL's would be fully involved.

10.2 Overview and Scrutiny 2 have assigned to their forward plan a review of the Allocations Policy. Therefore this work will support the development of a CBL scheme.

10.3 The Government also recommends that housing authorities should consult:-

- Social Services Departments;
- Supporting People Teams;
- Health Authorities;
- Connexions Partnerships;
- Relevant Voluntary Sector Organisations;
- Other Recognised Referral Bodies.

10.4 Section 105 of the Housing Act 1985 requires public sector landlords to have arrangements to inform and consult secure tenants who are likely to be 'substantially affected' by some proposed changes in matters of housing management.

11. OTHER MATERIAL CONSIDERATIONS

11.1 Under Section 167 of the Housing Act 1996 (as amended), the Council must have an allocation scheme, for determining priorities, and as to the procedure to be followed, in allocating housing accommodation. The scheme must include a statement of the Council's policy on offering people who are to be allocated housing accommodation:-

- A choice of housing accommodation; or
- The opportunity to express preferences about the housing accommodation to be allocated to them.

11.2 The scheme must be framed so as to secure that a reasonable preference is given to the following groups:-

- People who are homeless;
- People who are owed a duty under relevant sections of the Act;
- People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions;
- People who need to move on medical or welfare grounds; and
- People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others).

11.3 The priority for housing accommodation must go to those with the greater housing needs. The Council's scheme must give reasonable preference to those applicants who fall within the groups mentioned above, over those who do not. Applicants who are not so entitled to a reasonable preference cannot compete on equal terms with those who are.

12. OVERVIEW AND SCRUTINY IMPLICATIONS

12.1 Overview and Scrutiny 2 Committee have identified CBL as an issue that they wish to examine as part of their work programme.

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Wards: All Wards

Key Decision Validation: Yes

Background Papers: Not applicable

Examination by Statutory Officers:

	Yes	Not Applicable
1. The report has been examined by the Council's Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Council's S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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