

AGENDA ITEM

REPORT TO CABINET

19th JUNE 2008

**REPORT OF
CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

TEES VALLEY CHOICE BASED LETTINGS SCHEME

SUMMARY

To seek commitment for Stockton to adopt the common choice based lettings allocations policy in partnership with Middlesbrough, Darlington, Hartlepool and Redcar and Cleveland and implement choice based lettings in the borough as part of the Tees Valley Sub-Regional CBL Scheme.

RECOMMENDATIONS

1. That Members agree to adopt the proposed choice based lettings policy for Stockton-on-Tees.
2. That the proposed choice based lettings policy be subject to review, 6 months after implementation, so that its impact can be measured.
3. That following the review a report is brought back to Cabinet for their consideration.

DETAIL

1. During 2006/07 the Housing and Community Safety Committee (HCSC) undertook a study of choice based lettings (CBL) and the benefits of adopting this approach to letting properties in Stockton. The benefits identified during the study were:
 - Simplicity and increased transparency.
 - Efficiency savings
 - Reductions in void times and consequent loss of rent
 - Reductions in tenancy turnover
 - CBL promotes empowerment as process is driven by homeseekers themselves
 - CBL can be packaged as a wider housing options programme
 - A better understanding of where people want to live than is allowed for under the current system
2. Whilst Stockton was considering this, the Government were encouraging local authorities to consider sub-regional choice-based letting schemes and made funds available to explore this approach.

3. A bid from the Tees Valley region was successful to explore the opportunities for developing choice-based lettings scheme with a common allocations policy across Stockton-on-Tees, Middlesbrough, Hartlepool, Darlington and Redcar and Cleveland. The funding was used to appoint a Sub Regional CBL Co-ordinator's role for 2 years to drive forward the process.
4. On 15th March 2007 Cabinet gave approval for Stockton to proceed with developing and partaking in a sub-regional choice-based lettings (CBL) scheme in the Tees Valley recognising the additional benefits likely to be achieved through membership of a Tees Valley sub-regional scheme in terms of customer choice and economies of scale.
5. For the last 12 months or so, the 'Tees Valley Sub-regional Choice Based Lettings Partnership' (TVCBLP) - a steering group consisting of representatives from all 5 authorities - Stockton Borough Council, Tristar Homes, Middlesbrough Council, Erimus Housing, Hartlepool Council, Housing Hartlepool, Darlington Council, Redcar and Cleveland Council and Coast and Country Housing, has worked closely together to develop a common choice-based lettings allocations policy.
6. The framework for a Common Allocation Policy must comply with Part 6 of the Housing Act 1996 and the statutory Code of Guidance: 'allocation of accommodation', issued to local authorities in November 2002. This means that the framework must include a method for determining which categories of applicants will be prioritised within the scheme in accordance with the reasonable preference groups as set out in s167(2) of the 1996 Act. This ensures a consistent and transparent approach to allocations across the sub region.
7. How authorities allocate their properties is mostly governed by statute with only a few areas for local influence and discretion. In adopting a common allocations policy across the Tees Valley all 9 partnering organisations have had to agree to these discretionary areas. After lengthy discussion and debate a draft common allocations policy has been agreed and has been subject of extensive consultation spanning 3 months, so that a wide range of consultation groups have had an opportunity to comment and influence the policy. A comprehensive report outlining the consultation process and outcomes is available for Members to view in the Members library
8. The TVCBLP have considered all the comments and feedback following the consultation and have produced the final proposed policy document.
9. The key areas that Members may wish to consider are:
 - i. The proposed Bands – these identify how applicants are to be prioritised for within the scheme.
 - ii. The decision to introduce a quota system. This will mean that properties will be advertised on a % basis to each band to ensure that people in all bands have the opportunity to access accommodation. The % of properties advertised to each band will be decided by the individual partner organisations, according to their local housing market conditions.
10. All partners in the TVCBLP are now seeking approval from their decision-making bodies to implement sub regional choice based lettings across the Tees Valley with this proposed common allocations policy.

11. If approval is given to proceed it is envisaged that the new choice based lettings scheme for allocating properties will be introduced in late 2008 / early 2009.

FINANCIAL IMPLICATIONS

12. Tristar Homes Ltd have £100,000 as a capital allocation on a one-off basis for the delivery of CBL in Stockton, an intrinsic part of which is the creation of a 'property shop' which is centrally-based and can provide a 'one-stop' housing options service. Officers from Tristar Homes and SBC are actively seeking suitable accommodation in central Stockton that will facilitate this. Additionally £85,000 has been set aside from the HRA for revenue costs for 08/09. During this financial year we will assess the actual costs of operating a CBL service and will discuss further years fees with Tristar Homes on this basis. Estimated costs have been based on the provision of the 'one stop shop' model currently operating in Middlesbrough by Erimus.
13. The sub-regional partnership has contracted with ABRITAS for the required IT software to deliver CBL in the Tees Valley at a cost of £21,579 per partner for setting up in the first year and approximately £7,000 per partner per year for running costs and maintenance. (The Council and Tristar Homes Ltd equate to 2 partners so each will incur this cost). However in the unlikely event that any of the 9 partners withdraw from the partnership the remaining partners will share that partner's share of the costs. These costs are included in the £85,000 Tristar resource allocation.
14. The Sub-Regional CBL Co-Coordinator's post is Government funded and is due to cease. The Partnership feel that if we proceed to implementation of sub-regional CBL, the role of the Coordinator will be critical for the first 6 months and it is proposed that the Partnership fund the post for this period at a cost of approximately £3,000 per partner. As before these costs are included in the £85,000 Tristar resource allocation.

LEGAL IMPLICATIONS

15. Policy produced in accordance with legal requirements for the allocation of social housing as set out in the Housing Act (1996) and Homelessness Act (2002)

RISK ASSESSMENT

16. Adopting a common allocations policy for choice based lettings in the Tees Valley is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

17. Adopting a common allocations policy for the delivery of choice-based lettings across the Tees Valley will impact on all cross-cutting themes of the Sustainable Community Strategy. It will provide increased choice in housing to residents in the Tees Valley and help to create sustainable, mixed

communities where people choose to live through a consistent, co-ordinated and joined-up approach to delivering a high quality lettings service.

EQUALITIES IMPACT ASSESSMENT

18. A full and comprehensive equality impact assessment was undertaken of the proposed policy by consultants commissioned by the TVCBLP.

CONSULTATION INCLUDING WARD/COUNCILLORS

19. Extensive consultation with all stakeholders, tenants and relevant organisations in the Tees Valley over a 3 month period from December 2007 to March 2008.
Three drop-in sessions were held for Ward Councillors where they were able to discuss and influence the proposed policy.

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Background Papers

The proposed common allocations policy has been developed with regard to the codes of guidance issued to local housing authorities in England, in exercising the functions under 167(1A) and 167(2E) of the Housing Act 1996.

It has also been developed alongside obligations imposed by other existing legislation and guidance including :

- The Race Relations (Amendment) Act 2000
- The Disability Discrimination Act 1995 (as amended 2006)
- The Human Rights Act 1998
- The Freedom of Information Act 2000
- Children Act 1989
- Data Protection Act 1998
- Crime & Disorder Act 1998
- Homelessness Act 2002
- The Equality Act 2006
- Audit Commission - KLOE 7: Allocations and Lettings
- Commission for Racial Equality (Code of Practice on Racial Equality in Housing – September 2006)
- The Housing Green Paper - Quality and Choice (A Decent Home For All - July 2000)
- The Code of Guidance (Allocations - November 2002)
- The draft Code of Guidance (Choice Based Lettings - January 2007)
- Shelter's Good Practice Report (A Question of Choice - June 2005)