

**EXECUTIVE
COMMITTEE**

29th September 2010

SUB-REGIONAL HOUSING ALLOCATIONS POLICY

Relevant Portfolio Holder	Councillor Brandon Clayton
Relevant Head of Service	Liz Tompkin
Key Decision	

1. SUMMARY OF PROPOSALS

The Committee is asked to consider if the current Housing Allocations Policy and Redditch Home Choice Scheme should be retained or whether Officers should continue to work towards adopting a common Housing Allocations Policy and Choice Based Lettings Scheme called 'Home Choice Plus' which would then be administered and reviewed in partnership with other Local Authority partners in the Sub-region.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that

- 1) the report be noted; and**
- 2) Members consider the following options and determine which option to RECOMMEND :**
 - a) Option 1 - retain the local Housing Allocations Policy and Redditch Home Choice System and review in accordance with the existing constitutional framework;**

OR

 - b) Option 2 - the decision to join the Home Choice Plus be delayed until the outcome of the legal review into the scheme is known, but agrees to commit Officer resources to continue to work along side the existing members of the Sub-Regional Partnership. A further report will be brought to the Committee to report progress and make further recommendations.**

3. BACKGROUND

- 3.1 Communities and Local Government (CLG) set a target for all local authorities to introduce a Choice Based Lettings Scheme by 2010.**
- 3.2 In response, Redditch Borough Council launched the Redditch Home Choice Scheme on 6th September 2007. The scheme was later reviewed**

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and amended in 2008 and then 2009 based on customer and partner consultation. Surveys have demonstrated that there is a high level of satisfaction with the scheme in the local area.

- 3.3 In 2006 Wychavon District Council applied to the CLG for Grant funding to develop a Sub-regional Choice Based Lettings Scheme. As Redditch Borough Council and Warwick District Council had already developed their own Choice Based Lettings Schemes it was agreed that they would be looked at in the second phase of the project.
- 3.4 In 2008 phase 1 of the Sub-regional Choice Based Lettings Scheme now called 'Home Choice Plus' was implemented. The partners in phase 1 consisted of:
- a) Bromsgrove District Council
 - b) Malvern Hills District Council
 - c) Stratford-on-Avon District Council
 - d) Worcester City Council
 - e) Wychavon District Council
 - f) Wyre Forest District Council
- 3.5 The local authorities participating in the Home Choice Plus Scheme developed one common Allocations Policy.
- 3.6 Councils in phase 1 of the project do not have retained housing stock and lettings are managed via partner Registered Social Landlords.
- 3.7 The introduction of the Redditch Home Choice Scheme and Housing Options Team assisted the Local Authority to significantly reduce the number of Statutory Homeless Acceptances by allowing more households to find accommodation via the waiting list without making a Homeless Application.

4. KEY ISSUES

- 4.1 The benefits reported by existing Local Authorities in the Sub-regional scheme are that applicants only need to complete one application form to be considered across all the participating local authority areas.

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- 4.2 Consultation with Registered Social Landlords and Voluntary and Statutory Partners that work across more than one Sub-regional area suggests that they would welcome there being a common scheme for Housing Allocations as it would reduce their workloads and make the process of finding housing easier for customers seeking accommodation in more than one area.
- 4.3 In order to confirm that the Home Choice Plus Scheme was legally compliant a legal review of the scheme was commissioned following the publication of the Code of Guidance into Housing Allocations called Fair and Flexible. The conclusions of the legal review were scheduled to have been released in December 2009 but have not yet been finalised.
- 4.4 There are no doubts regarding the legality of the Redditch Home Choice Scheme.
- 4.5 Redditch Borough Council was granted permission by Phase 1 of the Home Choice Plus Partnership to attend their meetings and assist in reviewing the Home Choice Plus Allocations Policy in early 2010. The aim was to ensure that good practice from the Redditch Home Choice Scheme was incorporated into any changes made to the Home Choice Plus Scheme. Due to the legal review being delayed there was also a delay to the review of the Allocations Policy and this is yet to be finalised.
- 4.6 The Local Authorities in Phase 1 of the Home Choice Plus Partnership do not have retained housing stock. It is not clear what difficulties that might present to Redditch Borough Council should they decide to join up to the partnership. Council tenants currently benefit from lower rents than Housing Association tenants and Secure Tenancies as opposed to Assured Tenancies. The main concern is whether the existence of Secure Tenancies and the Right to Buy could result in increased households seeking housing in Redditch from other Local Authority areas. Phase 1 of the partnership is currently undertaking a piece of work which will establish the levels of migration between each of the Local Authority areas. The Housing Options Team at Redditch Borough Council is also currently working with its software developer to establish how much it would cost to identify whether Council properties are more popular to bidders than Housing Association properties to those bidding for properties through Redditch Home Choice.
- 4.7 There has been no local consultation in Redditch with the public in respect of joining Sub-regional Home Choice Plus Scheme. Council Officers were concerned that retrospective changes following the legal review might

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prove to be confusing for customers and also duplicate the required consultation work for Officers.

- 4.8 There are a number of differences between the Home Choice Plus Scheme and Redditch Home Choice Scheme. Officers have undertaken some work to establish what the impact might be to local people if the scheme was adopted in its current form. The findings suggest that overcrowding would increase and that the number of Homelessness Acceptances would also rise with less customers moving via Medical and Social Priority prior to reaching crisis point.
- 4.9 The Council is currently performing well in relation to Homelessness Acceptances and Temporary Accommodation. It is likely that its performance would be negatively impacted by joining the Home Choice Plus Scheme in its current form.
- 4.10 The Redditch Home Choice Scheme currently prohibits allocations of housing to those who owe any debt to the Council including Council Tax, Sundry Debt, current and former Tenancy Arrears. The Home Choice Plus Scheme only prohibits allocations to those with current or former housing related debt. Adopting the current Home Choice Plus Scheme in its current form is likely to have an impact on the amount of debt recovered
- 4.11 Joining a Sub-regional scheme may be contradictory to latest guidance being released by Central Government. Recent announcements by the Housing Minister Grant Shapps suggest that Local Authorities will soon be given greater freedom and scope to produce lettings plans that are responsive to local needs and priorities (Inside Housing Magazine, 31 August 2010).
- 4.12 The Sub-regional Home Choice Plus Scheme has some features that Redditch Home Choice does not have such as the ability for customers to review property adverts and place bids using digital technology on their televisions and the use of SMS text.
- 4.13 Any changes to the Sub-regional Home Choice Plus Scheme would need to be agreed by each of the Local Authority Partners. In most cases this would require Members formerly agreeing to adopt the changes. It is unclear what would happen to the Sub-regional Scheme should some of the Local Authority partners fail to agree any changes proposed. There is a risk of the partnership failing and costs being incurred as a result.

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5. FINANCIAL IMPLICATIONS

5.1 Option 1

- a) The capital cost to develop the Redditch Home Choice Scheme has already been met in previous years.
- b) There are ongoing revenue costs of £17, 226 to cover the annual maintenance of the Housing Register, Choice Based Lettings and the Homelessness and Prevention Modules.
- c) £9,370.31 in Council Tax and Sundry Debt was collected from Customers at the point of Housing Allocation in the financial year 2009/10.
- d) If enhancements to the Redditch Home Choice Scheme were required in respect of Digital Technology or SMS Texting then these would cost approximately £3,500 in initial Capital Setup Costs. There would also be an ongoing revenue cost of approximately £3570 per year thereafter (which includes the cost of line rental).

5.2 Option 2

- a) There would be an initial Capital and Revenue Cost to the Council of approximately £15,000 to join the Sub-regional Home Choice Plus Scheme. A further £15,000 would be supplied via Communities and Local Government Grant 'match' funding. The cost includes the use of Digital Technology and SMS Text.
- b) If the Home Choice Plus Scheme was adopted there would also be a requirement to fund an additional Housing Options Officer from Council Revenue for six months during the implementation phase to ensure that customers are made aware of the changes and update to the new system. The cost of that would be approximately £14,068 for six months.
- c) An ongoing revenue cost would still be incurred to fund the maintenance of the Housing Register, Choice Based Lettings and Homelessness and Prevention Modules but it is anticipated that there would be a saving of approximately £2,500 per year to the Councils existing costs (as some of the costs are shared across all the Sub-regional partners).

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- d) If the revenue cost of Digital TV and SMS Text enhancements were also factored in then the total revenue saving to the Council of joining the scheme would be £6,070 per year.
- e) Adopting the existing Home Choice Plus Scheme would however have a negative impact on the amount of Council Tax and Sundry Debts recovered. It is anticipated that there would be a loss of approximately £9,370.31 per annum based on the 2009/10 recovery figures at the point of Housing Allocation.

6. LEGAL IMPLICATIONS

- 6.1 Section 167 (1) of the Housing Act 1996 requires each Local Authority to have a scheme for determining priorities in allocating housing accommodation.
- 6.2 The Redditch Home Choice Scheme and Allocations Policy are believed to meet the legal requirements of the Local Authority.
- 6.3 The Sub-regional partnership has commissioned a legal review of the 'Home Choice Plus Scheme' due to concerns regarding the schemes legality. In accordance with the Sub-regional time table the findings of that review were due to be reported in December 2009 but to date they remain outstanding.

7. POLICY IMPLICATIONS

- 7.1 The Conservative - Liberal Democrat Coalition Government elected in May 2010 has a very strong commitment to localised service delivery and this was featured in their Coalition Agreement. Recent announcements by the Housing Minister Grant Shapps suggest that Local Authorities will soon be given greater freedom and scope to produce lettings plans that are responsive to local needs and priorities (Inside Housing Magazine - 31st August 2010). A move towards a Sub-regional Housing Allocations Scheme might restrict the Council's ability to respond to the needs and wishes of local people.
- 7.2 Whilst the Allocation of Accommodation: Choice Based Lettings - Code of Guidance for Local Authorities published on 27th August 2008 does support the principal of Sub-Regional Choice Based Lettings Schemes it gives no legal requirement to join a Sub-regional scheme.

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8. COUNCIL OBJECTIVES

The Council is committed to ensuring that local people can access excellent housing and have a choice regarding where they live. The Home Choice Plus Scheme does provide the opportunity for the Council to work with partners in the rest of the Sub-region and to simplify the process of applying for housing across all the areas. The scheme may also deliver value for money savings in terms of revenue costs by reducing the annual maintenance costs of the system in the long term. It is possible that joining the Sub-regional scheme could inhibit the Council's ability to respond to the needs and priorities of local people with agreement for changes to the scheme needing to be universally adopted across the partnership. The length of time taken for the Sub-regional Partnership to agree changes to the scheme is far longer than the time taken to agree local changes to the Redditch Home Choice Scheme.

**9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY
CONSIDERATIONS**

9.1 Risks if joining the Home Choice Plus Scheme currently include:

- a) Reduction in the Council's ability to respond to the needs of local people.
- b) Impact on the debt recovery rate of Council Tax and Sundry Debts.
- c) Incurring costs associated with litigation if the Home Choice Plus Scheme is deemed to be illegal.
- d) Impact on the performance regarding Homelessness Acceptances and Temporary Accommodation.
- e) Increased pressure on the Housing Options Team as a result of the need for updating systems / promotion of the new scheme / staff training / customer consultation.
- f) Increased capital and revenue costs during the implementation phase.
- g) Increased costs of disbanding the scheme or re-developing a local scheme if the Partnership failed.

9.2 Risks of not joining the Scheme at this stage include:

- a) Increased costs of approximately £15,000 (as a result of missing the opportunity to access CLG grant match funding) if the Council chose to join at a later date.
- b) Increased revenue costs associated with ongoing maintenance of the system.

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- c) Reduced options regarding shared services as a result of differences between allocation policies across the Sub-region.

10. CUSTOMER IMPLICATIONS

- 10.1 Redditch customers could benefit from the Sub-regional Home Choice Plus Scheme by being able to apply for all areas of the Sub region through one common application form. They may also benefit from efficiencies gained from partner agencies who work across more than one area of the sub-region such as Registered Social Landlords or Floating Support Services who would only need to use one Housing Scheme.
- 10.2 The Home Choice Plus Scheme currently allows customers to use SMS texting and Digital TV to access property information and place bids where as the Redditch Home Choice does not have these features currently.
- 10.3 The Redditch Home Choice Scheme could be enhanced to include Digital Technology or SMS for an additional cost as detailed in the financial section.
- 10.4 The ability to tailor the Allocations Policy to meet the needs of Local People could be inhibited as a result of joining the Sub-regional Scheme.

11. EQUALITIES AND DIVERSITY IMPLICATIONS

Impact assessments have already been undertaken for the Redditch Home Choice Scheme and the Home Choice Plus Scheme. A further impact assessment on the local implications of adopting the Sub-regional Home Choice Scheme would be required prior to the final adoption of the scheme.

12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT

In its current form the Sub-regional Scheme does not appear to save the Council money overall as the revenue savings are likely to be outweighed by a reduction in the Council's ability to recover Sundry and Council Tax debts. Details of all savings have been detailed in the financial section.

13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY

There are no implications

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14. HUMAN RESOURCES IMPLICATIONS

There are staffing implications of joining the Sub-regional Home Choice Plus Scheme. The Housing Options Team would have additional work to undertake during the implementation of the Home Choice Plus scheme and additional revenue budgets would be required (as detailed in the financial implications section). Approximately 10% of the Housing Options Managers time is spent attending Home Choice Plus partnership meetings or working on the development of the Sub-regional Housing Scheme. If Members opt to keep the local allocations policy and not continue with the Sub-regional Scheme, that time will be redirected towards implementing the Housing Improvement Plan

15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

The introduction of the Sub-regional Home Choice Plus Scheme in its current form is likely to have an impact on the Homelessness Acceptance figures. Some aspects of the Home Choice Plus Allocations Policy differ from those of the Redditch Home Choice Scheme and these are likely to result in more Homelessness Acceptances.

16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998

There are no implications

17. HEALTH INEQUALITIES IMPLICATIONS

There are no implications

18. LESSONS LEARNT

There are no lessons learned

19. COMMUNITY AND STAKEHOLDER ENGAGEMENT

There was extensive consultation with Members, Partner Agencies and Local people during the development of the Redditch Home Choice Scheme and also by Phase 1 Partners prior to the introduction of the Home Choice Plus Scheme in their areas. There has been no customer consultation on the Sub-regional Home Choice Plus Scheme in the local area to date.

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20. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director (S151 Officer)	Yes
Executive Director - Leisure, Cultural, Environmental and Community Services	Yes
Executive Director - Planning & Regeneration, Regulatory and Housing Services	Yes
Director of Policy, Performance and Partnerships	Yes
Head of Service	Yes
Head of Resources	Yes
Head of Legal, Equalities & Democratic Services	Yes
Corporate Procurement Team	Yes

21. WARDS AFFECTED

All wards.

22. APPENDICES

Appendix 1 - Home Choice Plus Scheme – Allocations Policy
Appendix 2 - Redditch Home Choice – Allocations Policy

23. BACKGROUND PAPERS

Allocation of Accommodation: Choice Based Lettings - Code of Guidance for Local Housing Authorities which was published on 27 August 2008.

R (Lin) v Barnet LBC [2006].

REDDITCH BOROUGH COUNCIL

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