

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

19 May 2008

Joint Report of the Director of Health and Housing and Cabinet Member for Housing

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 KENT CHOICE BASED LETTINGS PARTNERSHIP

Summary

All local housing authorities and social housing landlords are required by Government to introduce Choice-based lettings (CBL) for the allocation of social rented housing by 2010. This report sets out the background to the Kent CBL Partnership and seeks approval to enter into a Deed of Agreement with other councils and Registered Social Landlords in Kent to develop and deliver a CBL scheme across the county.

1.1 Background

- 1.1.1 Members will recall from previous reports that Choice-based lettings (CBL) represents a new way of allocating homes to people seeking housing from councils (where they are stock holding) or from a Registered Social Landlord (RSL). Rather than the Council attempting to match an applicant to an empty property, CBL gives people seeking housing the opportunity to 'bid' for empty homes that are advertised by the landlord. The person with the highest priority who has bid for a given property will be made the offer.
- 1.1.2 The Government is keen to promote CBL through sub-regional partnerships and expects housing organisations to have a scheme in place by 2010. Prior to CBL, most social housing has traditionally been let using allocation systems administered by housing officers. Applicants would register for housing and be invited to express whatever preference they might have for accommodation. Their involvement in the allocation process thereafter would be negligible – their needs would be assessed by officers according to the type and location of accommodation, which would meet their requirements. When any social housing vacancies arose, housing officers would carry out a "matching exercise" based on what household types would be suitable for a particular property, and which of these has the highest level of priority.

- 1.1.3 Applicants would therefore have properties selected for them by officers and they would be unlikely to have a comprehensive understanding of the availability and type of housing stock in different areas, or levels of demand for any particular vacancies.
- 1.1.4 Such systems have been accused of being bureaucratic, lacking in transparency and disenfranchising for service users. Applicants may feel they have been “pushed” into properties having little say where they live, which may limit any commitment to remain in a property or community. The main thrust of CBL is therefore to promote greater applicant involvement and “choice”, by empowering them to have more say in where they wish to live and when they want to move, as well as becoming more proactive in seeking their housing solution.
- 1.1.5 Under CBL, properties can be advertised (in a similar fashion to estate agents) using free sheets/newspapers, shop fronts and the Internet. Bidding for an empty property can similarly take a number of forms including text messaging, by telephone or on the Internet. A shortlist of people bidding for the property would be drawn up in priority order, which reflects the Council’s allocations policy.
- 1.1.6 Unlike traditional allocation systems, under CBL the outcome of lettings activity has to be published. This might include anonymous details about the successful applicant such as how long they have been on the list and their relative level of priority, together with the overall number of bids received for the property. This level of detail is essential to ensure CBL successfully delivers a more transparent and accountable system. Applicants can use this information to assess their options and make choices that may help find quicker solutions to their housing difficulties. This might include bidding for less popular areas or property types to increase their chances or looking at options in other tenures.
- 1.1.7 The main argument in favour of CBL is its transparency. This is achieved through providing feedback on each letting cycle indicating the number of people who bid for a property and either the number of points they had or the length of time they were waiting on the list (depending on the precise allocations scheme adopted by the local authority). The feedback allows applicants to receive information on the number of lettings available and the demand from other applicants, encouraging them to make more informed decisions about their housing options.

1.2 The Kent CBL Partnership

- 1.2.1 A bid for the development of a CBL scheme was made to the then ODPM by a consortium of east and central Kent authorities building on the strength of existing partnerships. The bid was successful and was awarded £100,000 the maximum available. The grant pays for up to 60 per cent of the scheme development costs. Under the auspices of the Kent Housing Group (comprising housing officers and RSL partners from across the county), the CBL partnership was then extended to west and north Kent authorities and all major RSLs operating in the county.

1.2.2 A formal tendering process was undertaken in the autumn to procure a CBL service provider. Thanet District Council acted as the lead authority with the Project Board selecting 'Locata' as the preferred service provider in January 2008. Locata are a not-for-profit company whose areas of operation include West London, Sussex, Dorset, Kent (Medway), Hampshire, Derby and Hertfordshire.

1.3 Implementation Programme

1.3.1 It is planned to roll the project out in four phases during 2008/09. This Council is likely to be in phase two or three depending on our ability to go forward and that of Russet Homes. Phase two is currently scheduled to go live in November 2008. Subject to Member approval, it will be necessary to press ahead with preparatory work including the following:

- data transfer set-up;
- staff awareness & stakeholder awareness;
- testing of data & allocation policy (including back-offices elements); and
- training.

1.3.2 Members will recall that an interim arrangement was secured with Russet to use their existing Housing Register IT under an in-house arrangement for a year, to allow both organisations time to prepare for CBL. The implementation programme will therefore need to be advanced in partnership with Russet Homes who are already committed to joining the scheme. We are of the view that a November go live date remains hugely optimistic.

1.4 Project Accountability

1.4.1 The Partnership has appointed a project manager to oversee the project and coordinate the work between the different local authorities and RSLs. The project is being overseen by a Project Board representing local authorities and RSLs from across Kent. The Project Board is responsible for the financial management of the project and monitoring performance and progress against the project plan.

1.4.2 All partners have agreed to contribute to the development costs of the project, in effect supplementing the grant from the government. Contributions were calculated on the basis of stock numbers (in the case of RSLs and local authorities which still own and manage council housing) plus a contribution from non-stock holding local authorities to recognise their strategic housing role (see paragraph three below).

1.5 How a Kent CBL Partnership will work

- 1.5.1 At its simplest CBL is a system to match empty properties to prospective tenants. In practice the RSL stock data and local authority applicant data are matched to form a list of potential nominees for a property.
- 1.5.2 In each bidding/lettings cycle, RSL vacant property details would be uploaded on to Locata's centrally managed data warehouse to be advertised as available for letting. Locata would translate this data into the various advertising media and make them available to potential bidders within clearly defined timescales.
- 1.5.3 Locata will process bids made for each empty property and provide the landlord (RSL) with a shortlist based on the priority level of the bidders. If the RSL seeks to reject a nominee, they must select on the system a reason for that rejection. The final selected applicant must also be approved by the Council if that advertised property was aimed at a 'Homeseeker' (ie someone on the Council's housing register) as opposed to a 'Transfer' applicant/existing tenant in RSL stock.
- 1.5.4 The requirement to formally accept/reject applicants is a significant improvement on the current allocations process where applicant rejections are not always transparent and can be a source of dispute between the Council and its RSL partners. The Locata IT software, however, will prompt the RSL to state clearly the reasons for rejection, which will prove helpful to your officers for monitoring purposes and tracking RSL performance. Importantly, we are advised it will be for the Council to validate any rejection by an RSL.
- 1.5.5 There will be a fortnightly advertising and bidding cycle. Empty properties will be advertised through a paper-based freesheet and on the Internet. Technology will be used to make it easy for prospective tenants to bid and to help keep down operating costs. Bidding will be available by automated telephone systems, text messaging, coupon, the Internet and by direct calls to staff (eg for those with a supported housing need). Feedback will be available to service users on the outcome of previous adverts.
- 1.5.6 To summarise, the process would work as follows:
- Applicants seeking affordable housing are registered direct on to the Locata system. They can do this themselves or via the Council's Housing Needs team. If they enter direct, Council officers must check and validate the application form and make it 'live' or reject it and inform the applicant;
 - RSL upload property advertisements which are then printed and distributed by Locata;
 - at two weekly intervals a 'freesheet' is distributed via advertising vacancies. The paper would be circulated by Locata to an agreed distribution list;

- applicants would bid to Locata for the properties advertised;
- the shortlist of applicants who have bid for a particular property is drawn up by Locata and sent to the landlord RSL;
- the RSL accepts or rejects applicants on the shortlist in date of application order (ie when they first applied to go on the housing register);and
- the Council accepts/rejects the RSL's selected applicant.

1.5.7 It is also intended that shared ownership and key worker accommodation administered by the Homebuy Agent (Moat Housing Group) would be advertised through the CBL scheme.

1.6 Determining an applicant's priority under CBL

1.6.1 There are two main ways of determining an applicant's priority under CBL: either through a banding system or through the awarding of points. Your officers are currently exploring which option will best serve the interests of borough residents. Where banding has been introduced, there are typically four/five bands (eg A-D/E), with those in most urgent housing need being in the highest band. Under such a system properties are identified for inclusion within a particular band and advertised on that basis. Allocations are then typically awarded to those who have been waiting the longest, save for any exceptional circumstances that might arise and where these criteria could not be met. It is argued that the transparency behind banding is easier for service users to understand. The alternative model is to maintain a points-based priority echoing the existing points based assessment model.

1.6.2 CBL would not change the lettings policy of any landlord and schemes such as local lettings plan or sensitive lettings can be accommodated within a CBL system. Landlords will also have the right to exclude properties if urgent needs such as management transfers are required or they are needed to facilitate a decant programme.

1.7 Nomination Rights

1.7.1 The Council currently requires its RSL partners to enter in to a standard nomination agreement to secure access to new affordable housing schemes in the borough. These nomination rights would continue in the same vein under CBL but with properties being advertised to either 'Transfer' (ie existing RSL tenants) or 'Homeseeker' (ie local authority housing register including the homeless) applicants.

- 1.7.2 Where a local authority applicant such as a homeless household fails to make a bid for suitable accommodation, the Council would retain a 'direct letting' capability allowing it to step in and bid on behalf of the applicant to ensure it is able to discharge its statutory obligations in a timely manner. These provisions would need to be incorporated in the revised Allocations Scheme and a service level agreement drawn up with RSL partners.

1.8 Safeguarding the Interests of Vulnerable Clients

- 1.8.1 By adopting the Locata CBL scheme the Council would automatically have access to their 'On Line Register' (OLR) which would become the new Housing Register for the borough. This would replace the existing temporary arrangement with Russet Homes where the Council is currently using their system "Universal Housing database). The OLR would have specific fields in order to identify those who are vulnerable (eg people with mental health problems) or those with accessibility/mobility issues. The OLR can also prompt applicants to specify if they require assistance under CBL – for example, in applying or bidding.
- 1.8.2 The range of bidding methods (referred to at para 1.5.5) is felt sufficiently broad to ensure that those applicants who feel unable to bid on line are not overlooked in the process. The freesheets can also be produced in braille or translated where specific community issues are identified.
- 1.8.3 Experience from other CBL schemes suggests that over time the means for bidding become widely adopted and understood by the public.

1.9 Controlling mobility and ensuring local housing needs continue to be met

- 1.9.1 In accordance with the provisions of the Housing Act 1996, local authority housing registers are legally required to be 'open' registers of need, which means in theory people can apply from anywhere.
- 1.9.2 Members should be aware that mobility within Kent will be a major feature of the Kent CBL Partnership. It is intended to pilot the Scheme by making up to 10 per cent of lettings available to bids from across the county. Such vacancies would not be ring-fenced for households living outside the borough so, importantly, those living in the borough and registered on the Housing Register would still be able to bid. After two years of operation, however, the Project Board will seek to review the operation of the mobility provisions with a view to recommending increased opportunities for moving between local authority areas.
- 1.9.3 Members should be aware that nothing in the Kent CBL Partnership could override the Council's adopted Allocations Scheme. This scheme is designed to both meet with statutory requirements (eg. to ensure that 'reasonable preference' categories, such as the homeless, are assisted) as well as take account of local considerations. The Scheme is currently under review and will be brought back to Members for endorsement later this year. Importantly, the Scheme will be revised to ensure that local needs can continue to be met within the context of the Kent

CBL initiative and that through joining that scheme, the Council is not compromised in its ability to meet local needs.

- 1.9.4 It is important to bear in mind also that where cross borough nomination rights are offered, these are also open to bids from 'in-borough' applicants. As a greater priority can be attached to those with a local connection your Officers will ensure that out of borough applicants who do not have a local connection do not benefit over someone already living in the borough. This will need to be encapsulated in the revised Allocations Scheme referred to earlier.
- 1.9.5 To help place this issue in context, it is worth bearing in mind that RSL transfer lists already allow cross borough moves. For example, as part of the Circle Anglia Group, it is highly likely that Russet Homes would facilitate cross borough transfers with tenants from elsewhere within the Group – eg. tenants from London wishing to re-locate to Tonbridge and Malling. In practice therefore it may well transpire that a high level of cross-borough mobility already occurs in the borough.
- 1.9.6 Fundamentally, the Project Board is committed to reviewing and monitoring mobility arrangements to ensure that the scheme operates equitably and not to the detriment of any one area.

2 DEED OF AGREEMENT

- 2.1.1 A Deed of Agreement has been developed to ensure that all of the organisations involved in the scheme meet their respective commitments, particularly in terms of financial contributions towards costs.
- 2.1.2 The Agreement has been independently verified by the Kent Secretaries Group on behalf of the local authorities and by Devonshires Solicitors on behalf of the RSL partners and the acting Chief Solicitor has carefully studied the Agreement. Thanet District Council will act as the contracting body and will apportion the costs within the Partnership at cost and non-members of the Partnership paying the basic cost plus a premium. The Agreement needs to be signed by all parties before the contract can be entered into with the preferred provider as it provides an indemnity to Thanet DC.
- 2.1.3 Failure by the Council to sign the Deed of Agreement will delay implementation of the scheme across Kent as the identified costs will have to be re-apportioned amongst the remaining councils who have endorsed the scheme.

2.2 Financial contributions

- 2.2.1 The Council's contribution towards the development phase of the project was £10,000. It was agreed at the February 2006 meeting of the Board that this would be found from within existing budgets. This contribution has been made.
- 2.2.2 The Council can be required to pay any additional costs solely attributable to our membership and a share of any additional costs which benefit the whole scheme.

These latter costs have to be approved by an extended majority which is an 85 per cent vote of the Project Board. Members should also be aware that the annual contribution will be set by the Project Board in subsequent years and could therefore increase but the Project Board has to act fairly and equitably in setting the financial contributions. It is also relevant to note that any project overspends must be approved by the Project Board and the contributions of the parties agreed.

2.2.3 How is financial risk apportioned?

The Deed requires for any potential overspend to be reported by the lead authority (Thanet DC) to the Project Board and the RSL Partnership Board at the earliest opportunity and that no overspend shall be incurred before:

- a valuation has been prepared in writing by the Lead Authority, which sets out how the overspend is calculated, and the Lead Authority's recommendation setting out how it should be fairly and reasonably apportioned between the Parties taking into account which Party or Parties will benefit from or bear the burden of the overspend;
- any such overspend and any apportionment between the parties has been appropriately approved; and
- any necessary authority has been obtained by those parties bearing all or a part of the overspend;

provided that the parties shall use their reasonable endeavours to:

- minimise any such overspend; and
- avoid jeopardising:
 - (a) the implementation of the scheme; and
 - (b) the achievement of any milestone set out in the Implementation Plan; and

any share of any such overspend shall be remitted to the Lead Authority within thirty (30) days of receipt of a VAT invoice from the Lead Authority.

2.2.4 Termination provisions

2.2.5 The agreement runs for 10 years and although there is a right for any party to withdraw this is subject to serving a Notice of Termination giving the reasons why the withdrawal is sought and which should be served after the launch date (i.e. when the project goes live to the public) between 1 April and 1 October in any year of the term. If the Notice is properly served, termination only becomes effective 24 months after the last possible end date of the notice period – that is

24 months after 1 October, so that if the notice were served on 1 April the termination would be effective 30 months later. This would mean that the authority would still be in receipt of the services provided under the scheme during the period but would also be liable for its share of that cost and increase in contributions set by the Project Board over the two year six month period before the notice expired.

- 2.2.6 Failing this, there is the right to terminate on giving 40 days' notice at any time but severe financial penalties are incurred amounting to the increased costs of all the other partners' contributions for the remainder of the Contract, together with any other costs associated with the departure.
- 2.2.7 Termination is also possible by virtue of authority default as a result of an adverse decision by the Project Board. Then termination costs will be payable on the basis of the other partners' increased contributions for the remainder of the contract and any other costs associated with the departure.

2.3 Management and voting rights

The Project Board will be formally set up to oversee the Project and to keep an eye on the Lead Authority who will let the contract. Each authority is allowed to nominate an officer, who has one vote, to sit on the Project Board. There are three places available for RSL's and the Agreement refers to two of these places being reserved for LSVT RSLs, who get a single vote – we are encouraging Russet Homes to take up one of these places.

Decisions on the Board are taken either by a simple majority vote or by extended majority which is 85 per cent of those present and voting including at least one of the RSL members. The Chair has a casting vote in the event of deadlock. The subject matter of each meeting is circulated in advance of meetings.

3 COSTS OF CHOICE BASED LETTINGS

- 3.1.1 On the basis of the tender price submitted by Locata the total scheme development costs are estimated to be £174,000 spread over two years.
- 3.1.2 The Government grant of £100,000 will contribute to these costs and each partner has made contributions depending on status. The Council has contributed total revenue funding of £10,000 (2006/07-2007/08) towards the running costs. Any surplus across the scheme will be used to meet contingencies within the scheme development and future scheme enhancements.
- 3.1.3 The indicative annual operating costs to the Council of the Kent CBL Partnership will be in the region of £4,000 to £10,000 (after deducting income as described below) depending on the final format of the scheme and in particular the method used to advertise properties. The scheme is dependent on a base level of funding from each local authority partner. Set out below are indicative costings that the Council would face as its share of the scheme.

Expenditure	TMBC Contribution per annum
Locata's annual costs	£8,000
Telephony operating costs	£160
User guides -new applicants - postage	£31 £17
Freesheets (advertising lettings) to 50% of applicants on register - Postage	£4,065 £5,797
Escrow Account (drawing up legal agreement)	£153
Strategic Landlord Membership Fee	£3,500
Total	£21,723
Income	
Income from RSLs (eg cost of advertising) @ circa £50 per letting (assuming 350 lettings per annum)	£17,500
Balance	£4,223

(NB. The annual costs would be index linked)

- 3.1.4 By far and away the largest cost associated with CBL is advertising vacancies via the fortnightly freesheets. Over time as people become accustomed to bidding and viewing property adverts on line, it is envisaged the number of freesheets will be reduced, thereby reducing the annual cost.
- 3.1.5 Looking further ahead there is the possibility of attracting additional income through providing advertising space and including private lettings agents within the scheme.
- 3.1.6 The number of lettings in the borough in a given year is hard to predict and partly linked to the new build programme. However, analysis of trends over the last five years indicates a healthy number of re-lets. The figures provided in the table above represent a cautious approach and an assumption of at least 350 lettings per annum for the foreseeable future. However, the actual number when all lettings are taken in to account (ie lettings to those on the Housing Register and Transfer list) is considerably higher than this: since 1999 the average number of lettings in the borough was 462. If we were to continue at this level then the cost to the Council of running CBL as set out in the example (ie 462 x £50 per letting - £23,100 - £21,723) would result in an operating surplus of £1377.
- 3.1.7 Members also need to be mindful that ALL of the Council's RSL partners would be required to contribute towards the cost of advertising vacancies. Consequently, as the new build programme (and principally the four strategic sites) come on stream the number of lettings is likely to grow thereby generating greater income in future years.

- 3.1.8 Through joining the Locata scheme the Council would be buying in to a 'service provider' rather than procuring its own system. This would result in an annual revenue charge (as set out above) that may need to be factored into the Medium Term Financial Strategy. A flat fee is being agreed across Kent per letting and it is intended that the contribution from our RSL partners towards the cost of advertising vacancies will cover the Council's expenditure in operating the scheme. A future report to the Board will firm up the financial implications once known.

3.2 IT for based systems

- 3.2.1 Members will recall it was reported to the October meeting of the Board that the costs of a bespoke in-house solution for running the housing register were in the range £40K - £80K. However, through joining the Kent CBL Partnership the Council has the potential to make substantial savings as the Locata scheme would effectively obviate the need for the Council to procure its own in-house IT software. Indeed, many of our neighbouring authorities who already possess in-house housing register are not able to take advantage of Locata's On Line Register function. This means they are effectively paying twice - the initial capital cost of buying the stand alone system and annual maintenance fee, combined with the proposed costs under the Kent CBL Partnership. This Council, on the other hand, is in a position to benefit from purchasing just one system rather than two. Although it will still be necessary to purchase appropriate homelessness software, this would be at a vastly lower cost than procuring a fully integrated system. Such systems can stand alone and are substantially cheaper: licence fee circa £8.5K with an annual maintenance fee of circa £2.2K. The Cabinet endorsed capital provision connected with the housing register as a fast track capital plan item at its meeting in February 2008. It will therefore be necessary to carry out the appropriate evaluation in the coming months.

3.3 Consultation

- 3.3.1 If Members endorse joining the Kent CBL Partnership, consultation is factored in to the project plan. It will be necessary to consult applicants on the housing register and voluntary/ statutory agencies on the introduction of CBL in the borough. A series of stakeholder events is proposed across Kent to give interested parties the opportunity to learn how the the bidding process would work, especially where vulnerable clients are concerned.

3.4 Conclusions

- 3.4.1 CBL seeks to introduce greater accountability, simplicity of access and transparency of decision-making in to the allocations process, with customers playing a more active role in their rehousing. The Council must however have continuous regard to its ability to meet statutory homelessness obligations and to safeguard the interests of vulnerable households. With a robust Allocations Scheme in place it is felt the Kent scheme can be made to work to achieve these

aims. Furthermore, in the worst case scenario the Council is able to raise its concerns at the CBL Project Board and, if not resolved, ultimately to terminate its involvement in the scheme, albeit with a maximum of 30 months notice to serve.

- 3.4.2 In reaching a decision Members are reminded that the Government expects councils to introduce a choice based lettings scheme by 2010 and the Kent CBL Partnership is considered the only realistic and viable option. While the Council could choose not to implement CBL or delay its implementation, given the commitment of all the Council's RSL partners to the Kent scheme, including Russet Homes, it would not be sensible nor, or indeed, practical, to remain outside.
- 3.4.3 Irrespective of whether the Council went forward with CBL, following the return of services from Russet Homes it would be necessary to procure a replacement housing register and homelessness system. Based on research undertaken during 2007/08 the potential capital cost to the Council would be between £40K - £80K. The Kent CBL Partnership however has the potential to offer significant savings to the Council. This is because membership of the scheme automatically provides access to an 'On Line Register' (ie a Housing Register). Consequently, unlike many neighbouring councils who've invested significant resources in procuring a stand alone Housing Register, this Council has the option of using Locata's OLR or going out to the market to buy a bespoke system. If Locata's OLR is used then an annual revenue sum of £4K - £10K may need to be factored into the Medium Term Financial Strategy. In addition, a capital plan fast track evaluation will need to be undertaken to determine the capital costs of procuring homelessness software as set out at paragraph 3.2.1.
- 3.4.4 If Members endorse signing the Deed of Agreement it is envisaged that this Council would go live with CBL towards the end of the calendar year/early 2009.

3.5 Legal Implications

- 3.5.1 The allocation of housing is covered under part 6 of the Housing Act 1996 as amended by the Homelessness Act 2002.
- 3.5.2 The Deed of Arrangement is a legal document governing the relationship between the Council and RSL partners. It sets out mutual indemnities between its signatories and will set out the basis for this authority incurring expenditure in connection with CBL. Members will need to authorise entry into the Deed of Arrangement by this authority before it can be signed.

3.6 Financial and Value for Money Considerations

- 3.6.1 The costs of CBL are felt to be in the order of £21K per annum. These costs are dependent on the level of advertising and number of 'freesheets' produced. All RSL partners with vacancies in the borough would pay circa £50 per letting towards these costs. An analysis of letting trends suggests the actual cost to the Council is in the order of £4,000 based on 350 lettings per annum and a future

report to the Board will firm up the financial implications (if any) once known, and when taking into account the reduced cost of procuring appropriate homeless IT software compared to separate housing register software.

- 3.6.2 If the Council is able to benefit from Locata's On Line Register this would negate the need to purchase separate housing register software at a cost of £40K-80K. The Kent CBL Partnership therefore has the potential to offer good value for money.
- 3.6.3 The cost of procuring appropriate homelessness IT software is circa £8.5K with an annual maintenance fee of circa £2.2K. The Cabinet endorsed capital provision connected with the housing register as a fast track capital plan item at its meeting in February 2008.
- 3.6.4 Due to the Council's potential late go live date being in/towards the last quarter of the current financial year and the conservative estimate of income derived from RSL lettings, the Director of Health and Housing views any likely funding requirement this year to be de minimus and, at worst, one met by virement.

3.7 Risk Assessment

- 3.7.1 The Government expects local authorities to adopt a CBL Scheme by 2010. Only one scheme is being pursued in Kent and this has the backing of all Kent local authorities and RSLs operating in the county. As a result it would not be cost effective or practical for the Council to pursue its own scheme. With the right controls in place (chiefly via a revised Allocations Scheme) I am of the view that the Kent CBL Partnership can be implemented successfully in the borough with the aim of expanding choice for local people.
- 3.7.2 The Council is under pressure to declare its position on the Kent CBL Partnership and we are advised that the Deed of Agreement cannot be completed without the endorsement of all partners.
- 3.7.3 Indicative costs appear acceptable on the basis of the assumed advertising income from RSL partners and when compared with the alternative costs of procuring a stand alone in-house system.
- 3.7.4 There is the potential for the Project Board to seek to increase mobility across the county from the initial 10 per cent proposal. However, this would be subject to a simple majority vote. It is felt the risks posed by any increase can be managed within a revised Allocations Scheme as set out in the report. The Council would still have the option of withdrawing from the scheme by serving a maximum 30 months notice period if it felt the level and reality of cross borough nominations were constraining its ability to meet statutory housing needs.
- 3.7.5 As with any contract there is a risk that the annual costs of participating in the scheme might rise. However, in this instance this is not considered to be a serious threat especially as experience has shown that over time, advertising costs (which

are the main cost) have tended to reduce. As above, the Council would have the option of withdrawing from the scheme if it felt costs had become unacceptably high.

3.8 Policy Considerations

3.8.1 An effective system for the allocation of social housing is essential in helping to create balanced communities and to ensure the Council can meet its duties towards those in housing need.

3.9 Recommendations

3.9.1 Cabinet is **RECOMMENDED** to **AUTHORISE** the Director of Health and Housing, in consultation with the Cabinet Member for Housing, the Cabinet Member for Resources and the Director of Finance, to sign the Kent Choice Based Lettings Deed of Agreement, subject to there being no significant change in the financial implications on this Authority from those stated in this report; and

3.9.2 to **ENDORSE** the annual costs (if any) of providing a choice based lettings scheme being reflected in the Medium Term Financial Strategy; and

3.9.3 to **NOTE** that a fast track evaluation will be completed to ensure the cost of procuring homelessness IT software is reflected in the Capital Plan at an anticipated cost as set out in para. 3.6.3 of this report; and to

3.9.4 **ENDORSE** the Director of Health and Housing or his nominated representative as being the Council's representative on the Kent Choice Based Lettings Project Board.

The Director of Health and Housing confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

contact: Lawrence Dey

Held with Housing Services

John Batty
Director of Health and Housing

Councillor Mrs Jill Anderson
Cabinet Member for Housing