

WYRE FOREST DISTRICT COUNCIL**CABINET**
23RD MARCH 2010**Charging Policy for Home Choice Plus**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	Improved Health and Wellbeing
CORPORATE PLAN AIM:	Enabling Community Wellbeing
CABINET MEMBER:	Councillor T. Onslow
DIRECTOR:	Mike Parker, Director of Planning & Regulatory Services
CONTACT OFFICER:	Sally Horne, Principal Strategic Housing Officer – Ext 2561 E mail sally.horne@wyreforestdc.gov.uk
APPENDICES:	None

1. PURPOSE OF REPORT

- 1.1 The report provides details of the work and cost involved with the operation and management of the sub regional choice based letting scheme, Home Choice Plus. The costs are currently being covered solely by local authorities within the sub region, however some of them were unknown and unbudgeted for when the service originally commenced. The costs and charging mechanism described in this report will be shared with RSL (Registered Social Landlord) partners and used as a way to apportion costs in a fair and transparent way.

2. RECOMMENDATION

The Cabinet is asked to DECIDE that:

- 2.1 **That delegated authority be given to the Director of Planning and Regulatory Services in consultation with the Cabinet Member for Housing and Environmental Services to negotiate charges, as set out in this report, with all RSL (Registered Social Landlord) partners who advertise properties on Home Choice Plus in the Wyre Forest area.**

3. BACKGROUND

- 3.1 The implementation of a choice based letting scheme is a government set target to be achieved by Local Authorities and Registered Social landlords (RSLs) by 2010.
- 3.2 Government funding was awarded to Local Authorities and RSL partners within the South Housing Market Area to implement a sub regional choice based letting scheme and this has been successfully achieved. This system is called Home Choice Plus.
- 3.3 Whilst grant funding was provided to support the initial set up of Home Choice Plus, there are ongoing capital and revenue costs to ensure the ongoing operation of the system.

- 3.4 As part of the Homelessness and Housing Allocation Service Level Agreement with Wyre Forest Community Housing Group, the company contribute 50% towards the annual software charges, cover the operational staff costs and also purchase all paperwork. None of the other Registered Social Landlords make a contribution towards the cost of the system.
- 3.5 Aside from the operational costs of the system, there is also a cost in terms of strategic officer time. There has been a significant increase in work load for the Strategic Housing Services Manager and the Principal Strategic Housing Officer.
- 3.6 Wyre Forest District Council officers attend the strategic and operational meetings held for Home Choice Plus. There is a consistent approach by all the local authorities and a work plan is in place. A review is currently being carried out which follows 12 months of implementation. The review is looking at all the policies and procedures to ensure they are compliant with the relevant legislation and which also evaluates customer satisfaction. Improvements that are needed to the computer system also have to be agreed by the steering group and tested before implementation.
- 3.7 Other strategic elements carried out include:
- Training – Council staff train partners and support staff to use the system
 - Report writing and analysis
 - Monitoring shortlists
 - Ensuring all policy and procedures are adhered to
 - Advertising and keeping partner agencies up-to-date
 - Home Choice Plus is a standing item on the agenda of the Chief Housing Officers Group
 - Attendance at Abritas User Conference
 - Ensuring the web page is kept up-to-date
 - Benchmarking
- 3.8 Given the costs of the scheme, other authorities in the partnership have decided that they are going to charge their RSL partners. This decision follows a Home Choice partnership meeting with the main RSL partners, where the majority of the partners were in agreement with the charges. The meeting is against the context that many of the RSLs are being charged to advertise on choice based lettings systems across the UK and Stratford upon Avon District Council (one of the Home Choice Local Authority partners) is already charging.
- 3.9 The model outlined in the key issues part of the report has been agreed as the model to use across the Home Choice Plus partnership which is operational within the six district councils within Worcestershire. This ensures consistency in the local authorities approach to charging, despite the possibility of different levels of expenditure (for example, officer time and annual software charges). The model is intended to be used for non LSVT RSL partners, with each Local Authority being afforded the discretion to negotiate charges with their LSVT.

4. KEY ISSUES

4.1 Table 1 below provides the costs currently covered by Wyre Forest District Council in operating Home Choice Plus for social housing properties. Any other housing option will have the cost calculated and charged for separately. It is proposed that the table below is used for all non LSVT partners, as it incorporates an element of the charge towards operational staff at Community Housing (and which the Council pay for through its Service Level Agreement).

Description of Activity/Cost	Cost Involved	LA Contribution @50%	RSL Contribution@ 50%
Annual Service Charge	£9,767	£4883.50	£4883.50
Promotional Literature and Application Forms (based on 4,000 p/a)	£2,916	£1,458	£1,458
Maintenance/replacement of IT Equipment	£1,000	£500	£500
Staff time to process, assess and band applications and monitor lettings	£35,000	£17,500	£17,500
Chargeable upgrades to the system	£1,000	£500	£500
Web upgrades	£500	£250	£250
Strategic Officer Time carrying out on going reviews (15% of time – 4 days per month)	£8,000	£4,000	£4,000
Total per authority	£58,183	£29,091.50	£29,091.50
Total x 6 authorities	£349,098	£174,549	£174,549
Cost per letting (based on £174,549 divided by 2854 lettings 08/09)			£61.16

Table 2, below, provides the anticipated costs for Wyre Forest Community Housing Group based on a percentage share of the total lettings:

Description of Activity/Cost	RSL Contribution@ 42%
Annual Service Charge	£4102
Maintenance/replacement of IT Equipment	£420
Chargeable upgrades to the system	£420
Web upgrades	£210
Strategic Officer Time carrying out on going reviews (15% of time – 4 days per month)	£3,360
Total	£8512.14
Cost per letting (based on 513 lettings 08/09)	£16.59

- 4.2 The reduced cost of the advert for the Community Housing Group is due to removing the cost of operational staff time and the cost of promotional literature, which the Community Housing Group pay for as part of the Homelessness and Housing Allocations SLA with Wyre Forest District Council. Also, as they are the main advertisers of lettings in the Wyre Forest area (84% of all lettings placed on Home Choice Plus for Wyre Forest in 08/09 were Community Housing properties) and undertake some of the work for the other RSLs (for example, placing and checking adverts) it is suggested that they pay a lower fee than other RSLs.
- 4.3 Based upon 2008/09 lettings data, it is anticipated that the Council will secure £14,689 from the Community Housing Group and

5. FINANCIAL IMPLICATIONS

- 5.1 The Authority faces significant annual revenue costs for the provision of Home Choice Plus. The proposal to charge RSL partners will offset approximately 25% of these costs (£15,500 out of a total of £59,650). The remaining 75% will continue to be funded from existing budgets.
- 5.2. If the proposal to charge RSL's is not approved, additional income will not be generated which means that the Council will have to find additional resources for the cost of the annual software charges, upgrades and system maintenance (£3,100 which is not currently included within the revenue budget).

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 Local Authorities and their RSL partners are required to implement a choice based lettings system by 2010. This was completed in Wyre Forest in September 2009.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 There are no equality impact implications.

8. RISK MANAGEMENT

- 8.1 There is a risk that if the proposed model for charging is not approved, then the full charges of managing and maintaining the system will fall upon the authority. This has not been budgeted for and will require in the region of £3,100 per annum revenue resources.

9. CONCLUSION

- 9.1 Local Authorities across the country are either charging or considering charging to cover their costs for the administration and use of the CBL system by their RSL partners. There is a very limited range of charging mechanisms being used but with the most commonly adopted approach using a charge per advert. The mechanism established in this report is considered and transparent and covers an element of the cost to ensure the delivery of a good quality service.

10. CONSULTEES

- 10.1 Corporate Management Team

Director of Resources
Wyre Forest Community Housing Group
Waterloo Housing Association
Nexus Housing Association
Rooftop Housing Association
Bromford Housing Association

11. BACKGROUND PAPERS

- 11.1 Cabinet Report 28th September 2006: Proposal for the introduction of a Choice Based Lettings system for the allocation of properties from the Housing Register
- 11.2 Cabinet Report 28th June 2007: Introduction of a Choice Based Lettings scheme for the allocation of properties from the Housing Register
- 11.3 Community and Regeneration Committee Report: 28th September 2009: Update Report on the Provision of Choice Based Lettings for the Allocation of Properties from the Housing Register
- 11.4 Home Choice Plus Allocation Policy