

<b>Subject:</b>	<b>Charging Registered Providers for Choice Based Lettings</b>		
<b>Date of Meeting:</b>	<b>14<sup>TH</sup> January 2015</b>		
<b>Report of:</b>	<b>Executive Director of Environment, Development and Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Sylvia Peckham</b>	<b>Tel: 293318</b>
	<b>Email:</b>	<b>Sylvia.peckham@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Council operates a joint Housing Register rather than individual Registered Providers (RPs) having to keep their own registers. All applicants are assessed and verified by Homemove team and reviewed following any changes within the household. Social housing that is available for letting is advertised through Choice Based Letting. Once bidding closes the Homemove team carry out checks on the top three shortlisted households for each property to ensure they meet all the criteria for the property they have bid on.
- 1.2 Most other councils do charge RPs for this work carried out on their behalf. To date, this council has not charged Registered Providers but in the light of budget pressures can no longer continue to provide this free and so are seeking to introduce charges to RPs.
- 1.3 By charging RPs this will enable us to deliver savings to the General Fund next year of £140k and forms part of our saving strategy and modernising services

**2. RECOMMENDATIONS:**

- 2.1 That Housing Committee agrees to introduce charges to Registered providers that will pro rata cover the costs of managing the Joint Housing Register and verifying the shortlist of applicants who have bid for RP properties

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Choice Based Lettings was introduced in the city May 2005. As part of this the old Housing Waiting List was developed into a Joint Register which recorded housing need for all social housing in the city and not just for council accommodation.
- 3.2 The second aspect was that all social housing tenancies were advertised through Homemove using the Locata IT. Locata charge each social housing provider the cost of placing the advert only.
- 3.3 Properties are advertised each fortnight and applicants on the Housing Register are able to place bids on up to 3 properties of their choice. At the close of the

fortnightly bidding cycle, the system generates shortlists of applicants for each property advertised.

- 3.4 The Homemove team then carry out checks to verify that each of the top three shortlisted applicants for each property are eligible for the property they have bid on. These details are then forwarded to the relevant RPs and Housing Management so they can contact the applicants and arrange for them to view their properties. In the event that all of the top 3 shortlisted applicants refuse the property or it transpires that they are not eligible, then Homemove will verify the next 3 applicants on the shortlist for that property.
- 3.5 The work involved with assessing applicants and maintaining the Housing Register and with verifying shortlisted applicants for RP properties has not been recharged to RPs but has been provided by the council. The Housing Revenue Account is charged for the cost of providing the service for council transfers and verifying shortlists for council properties and so it is only fair that Registered Providers cover the cost for their properties rather than the General Fund continue to provide this.
- 3.6 We are also undertaking a review of the end to end process for sheltered housing which will also inform the more widely general needs housing. This will examine the processes from receipt of application to join the Register through to checks and verifications carried out through to obtaining a property. The aim is to streamline while ensuring a more effective and targeted service, thereby demonstrating a service that is value for money and transparent in what service provides and costs. It will also enable us to consider how we undertake more joined up work with Adult Social care by ensuring we have robust information relating to joint clients so they are moved efficiently.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 We could do nothing and continue to provide this service free for Registered Providers. This would be inequitable with council tenants who pay for their use of the service. We would not be able to deliver savings to the General Fund associated with providing this work.
- 4.2 We could charge per advert but that would not provide certainty of income to cover the costs of the staff.
- 4.3 We therefore recommend to levy costs pro rata based on the total number of shortlists produced for each Registered Provider over the last year. This can be recalculated on an annual basis to reflect the number of shortlists produced in the previous year.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 No community engagement has been carried out as it is not required.

#### **6. CONCLUSION**

- 6.1 Housing Management (Housing Revenue Account) are paying for their share of the cost of managing the Housing Register and verifying shortlisted applicants for

council tenancies. It is therefore fair and equitable that Registered Providers should be charged for the same service provided on their behalf.

- 6.2 The pressures on the General Fund mean that it is no longer acceptable for the council to provide this service free to Registered Providers. Other councils do charge Registered Providers for this service.
- 6.3 Charging pro rata according to the number of shortlists produced for each Registered Provider is fair and will also ensure certainty of income to the council necessary to cover associated staff costs

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The 2014/15 gross and net budget for Homemove is £0.474m, including overheads, and is joint funded by the Housing General Fund (55%) and the Housing Revenue Account (45%) based on the number of shortlists.

The recommendation in this report to charge Registered Providers for the managing the Housing Register and Shortlisting is projected to bring in income of approximately £0.140m per annum.

*Finance Officer Consulted: Neil J Smith*

*Date: 10/12/14*

### Legal Implications:

- 7.2 The current arrangements with the Registered Providers do not include charges to cover the costs of managing the Joint Housing Register and verifying the shortlist of applicants who have bid for RP properties. If such charges are to be recoverable in future, the council will need to enter into a formal arrangement, such as a contract or Service Level Agreement, with the RPs.

*Lawyer Consulted:*

*Name Liz Woodley*

*Date: 10/12/14*

### Equalities Implications:

- 7.3 None

### Sustainability Implications:

- 7.4 By charging for this service then it becomes more sustainable to continue delivering it and ensuring nominations to social rented housing in the city is fair and equitable.

### Any Other Significant Implications:

- 7.5 None

## **SUPPORTING DOCUMENTATION**

**Appendices: 1** Pro rata breakdown of shortlisting by Registered Provider

### **Documents in Members' Rooms**

None

### **Background Documents**

None

## Pro rata breakdown for Registered Providers:

RSL	No of shortlists	% of total
Hyde Martlett	15	12.2
Affinity Sutton	21	17.07
SHG	37	30.08
Moat	10	8.13
Amicus Horizon	3	2.44
Orbit	3	2.44
Sanctuary	21	17.07
Guinness Trust	13	10.57
TOTAL	123	100%

Crime & Disorder Implications:

- 1.1 None

Risk and Opportunity Management Implications:

- 1.2 There is a risk that Registered Providers won't want to pay for this service. However they are partners in Choice Based Lettings and have to verify potential applicants and so if they didn't pay the council to provide this service they would need to undertake this function themselves and provide assurances that they had let the property in line with the citywide Allocation scheme. This is likely to be inefficient rather than Homemove provide this across the city for all social housing.

Public Health Implications:

- 1.3 None

Corporate / Citywide Implications:

- 1.4 This will ensure that Homemove and the Allocation scheme is sustainable going forwards and that efficiencies and accountability are inherent in its transparency.

