

**REPORT NO. 2**

**REPORT TO THE EXECUTIVE MEETING OF 15<sup>th</sup> MAY 2017**

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**Meeting:** Executive  
**Date:** 15 May 2017  
**Subject:** Future of Choice Based Lettings Service  
**Report of:** Ann Ball Housing Services Manager  
**Portfolio Holder:** Cllr Rosita Page  
**Status:** Decision  
**Relevant Ward(s):** All

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1 Purpose of the Report

1.1 To consider future delivery options for the Choice Based Lettings Service.

2 **Recommendation:**

2.1 **To continue to provide a Choice Based Lettings Service and delegate to the Corporate Director (NP) to procure a new software platform that will deliver improvements and efficiencies in service delivery.**

2.2 **To delegate to the Corporate Director (NP) the procurement of Homelessness Prevention software to meet new statutory duties and provide a seamless service with CBL.**

3 Summary of Reasons for the Recommendations

3.1 A Choice Based Lettings service is strategically important to the Council in the discharge of statutory homelessness duties.

3.2 Soft market testing suggests limited scope for savings if the service was outsourced. There is also likely to be a degradation in service quality

3.3 Retaining the service in-house will give HDC flexibility to shape and develop the service over time – reflecting changes in the local housing market and legislative changes.

3.4 Soft market testing suggests competitive prices can be achieved on software platforms if HDC were to procure alone, rather than needing to procure with other districts to achieve the best prices.

3.5 Investing in a new platform that enables channel shift can open the door to process efficiencies and cashable savings.

#### 4 Key Facts

4.1 Harborough District Council introduced a Choice Based Lettings (CBL) scheme in 2000, which was one of the first CBL schemes in the country. HDC joined with the other Leicestershire Districts and Boroughs in 2010/11 to form the Leicestershire CBL Partnership. In 2015/16, 248 households were housed through CBL.

4.2 The scheme consists of a single website platform (with costs shared equally amongst partners) and individual back office staffing and systems. The joint contract for the CBL platform expires in August 2018.

4.3 Each Council has its own (Homeseach) website and control over content. Key features of the website include;

- Online application process to join the Housing Register. However, evidence to confirm identity and circumstances must be physically submitted to the Council.
- Once verified residents are given a priority band (Priority/ High/ Medium/ Low) and can then bid online or by telephone for advertised properties.
- New properties are added weekly.
- Other self help/ housing options advice and signposting is also posted on the website.

4.4 Key back office functions carried out by individual Councils include;

- Verification of new applicants to the Housing Register
- Banding decisions and appeals
- Monitoring of the Allocations Policy
- Monitoring of non-bidders.
- Call handling, email traffic and face to face surgeries
- Dealing with incoming post
- Partner liaison meetings

4.5 A Housing Services Review was completed in July 2016. The review concluded that having a Housing Register and CBL system remains strategically important in discharging the Councils statutory homelessness functions. This is largely due to a limited supply of private rental properties and high private rents meaning a social rented property is the only affordable option in nearly all cases. There are currently 1177 households on the Housing Register.

4.6 In 2016/17;

1. The Council prevented 37 households from becoming homeless though helping them to find alternative housing through CBL.

2. The Council discharged its duty to 13 homeless families through helping them to secure affordable housing through CBL.

4.7 Since the Housing Services Review homelessness continues to be a key issue and demand on resources. There is a longer term trend that households are spending longer in temporary accommodation whilst longer term affordable housing is sought underlining the importance of CBL.

4.8 In addition, the Homelessness Reduction Act 2017, which recently received Royal Assent will place more duties on Councils to intervene earlier when people might be at risk of homelessness and to help more people at risk of homelessness, particularly single people. To support work to prevent homelessness the Government has provided an extra £40,000 grant to HDC for 17/18 and 18/19. This funding is available to invest in the Housing Service.

4.9 This report on the future of CBL addresses the following outstanding Housing Services Review recommendations.

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| 1.3 | The Council should work with other districts/ boroughs to assess the viability of procuring new CBL software   | Mar-17 |
| 1.4 | The Council should use the software discussions to explore a shared service with one or more other Districts/ Boroughs to deliver remaining CBL back office functions. | Mar-17 |
| 1.5 | Further work should be carried out on outsourcing as an alternative to both the Leicestershire CBL partnership and/or a potential shared service.                      | Mar-17 |
| 2.4 | The council should consider more self help tools / online advice, including as part of any CBL software procurement.   | Mar-17 |

**The Council should work with other districts/ boroughs to assess the viability of procuring new CBL software as a Leicestershire Partnership.**

4.10 The Leicestershire CBL Partnership has been effective to date but it has been challenging to galvanise the partnership to stay together – at least in the procurement sense. This is due to;

- Emerging variations in Allocations Policies which means a standard platform and application process is not now possible and must be tailored to each partner meaning extra costs.
- Some districts having extra requirements e.g. for an integrated Homelessness Platform to manage casework.
- One District has already moved ahead with their procurement of a new CBL system separate from the partnership. Soft market testing suggests competitive pricing exists despite the procurement only being for one authority.

4.11 The conclusion is that it will be more efficient and effective to procure a new CBL software system as one authority because the procurement process would be straightforward and less costly than for a multiple partnership

requiring all partners to agree a detailed specification and using a procurement framework.

**The Council should use the software discussions to explore a shared service with one or more other Districts/ Boroughs to deliver CBL back office functions.**

- 4.12 The Service Review identified potential efficiencies and savings from a shared CBL service with one or more other Councils. This would be dependent on participating Councils having the same platform and would see one Council taking the lead and processing the housing register applications of partner councils as set out in 4.3. Potential benefits were discussed with Chief Housing Officers but no partner authority was interested at this point, partly due to the added complexity this would bring to discussions on platform discussions although they did not rule out discussions once the future of the CBL platform(s) was decided.

**Further work should be carried out on outsourcing as an alternative to both the Leicestershire CBL partnership and/or a potential shared service.**

- 4.13 Soft market testing was carried out in February 2017. A questionnaire was sent to 3 organisations and included a guide on current service and asked a series of questions about the likelihood of their organisation being interested in providing this or a similar service if the Council does contract the service out along with indicative costs.
- 4.14 One organisation responded indicating their interest. They were unable to provide a costing for delivering the service as it was described, but were able to advise us of the likely cost involved in providing the service in the format they currently do for another local authority.
- 4.15 The soft market testing suggests the Council is unlikely to achieve savings and better value for money from outsourcing. The outsourcing quote provided did have a minor revenue saving (c£5,000) but this was due to a reduced staffing model rather than through increased value for money. Once income from Registered Providers is taken into account which would not come to the Council if the service was outsourced, the cost of outsourcing would be more expensive. Income from Registered Providers to support the running of the scheme varies as it is on a per advert basis but can reach c£20,000.
- 4.16 The certainty of future income from Registered Providers was considered as part of the Service Review, which included a workshop with 3 of the largest Registered Providers. Although none were able to commit to continuing to use CBL to advertise properties none had plans to withdraw. The consensus was that they will continue to advertise as long as they are receiving a good service and value for money in terms of access to a pool of 'tenancy ready' clients on the Housing Register – resulting in low void times.

4.17 There are other risks of outsourcing which have been discussed with a Council that has outsourced CBL;

- The outsourced service would be delivered from a central location for several local authorities, the staff would not have local knowledge regarding the properties being advertised, the district, local amenities or alternative housing options available to applicants.
- Registered Providers may choose not to advertise their properties through the new service provider. This would mean applicants in housing need would be competing for fewer properties being advertised and there is an associated risk that homelessness would increase.
- If as a result of contracting out the number of staff within the housing team was reduced, this would impact on the flexibility to respond peaks in demand for the service from those threatened with homelessness or seeking housing advice – which is the other function of the Housing Team.

**The council should consider more self help tools / online advice, including as part of any CBL software procurement.**

4.18 If the Council were to procure CBL software there is opportunity to;

- Ensure the platform is ipad/ mobile friendly which is a common request in customer feedback.
- Create a completely online process with evidence scanned/ uploaded rather than physically submitted to the Council and verified. This could lead to cashable savings on administration, which could be reinvested in homelessness prevention.
- Consider purchasing an associated Housing Advice and Homelessness Module to support the Councils extended duties under the Homelessness Prevention Bill. This would ensure a seamless customer journey, including managed referrals to other support agencies. This would support clients from crisis point and risk of homelessness to secure long term housing through CBL.

## 5 Legal Issues

5.1 The existing CBL contract cannot be extended beyond August 2018 and is subject to a 3 month notice period.

## 6 Resource Issues

6.1 A £20k budget has been set aside in the 2017/18 budget for investment in new CBL software, early indications are that this is sufficient to purchase what is needed to provide an improved and more efficient service to benefit customers and the organisation as well as potentially achieving a reduction in the current annual hosting and maintenance fee.

6.2 On 16<sup>th</sup> March 2017 the Government announced a new Flexible Homelessness Support Grant. HDC will receive £40,000 in 2017/18 and 2018/19. This will be used to support this procurement as required including procurement of homelessness prevention software as required.

## 7 Equality Analysis Implications/Outcomes

7.1 A new CBL software system would benefit from greater accessibility via changeable text size, text only option, Google translate, readable icons for visually impaired as well as being Tablet and Smartphone compliant.

7.2 An Equality Assessment of the Housing Service was completed as part of the Service Review in July 2016.

## 8. Risk Management Implications

8.1 Risks are addressed in the main body of the report.

## 9 Consultation

9.1 Consultation has been carried out with the Portfolio Holder. Wider consultation with stakeholders and the public was carried out as part of the 2016 Service Review.

## 10. Options

10.1 Commit to the Leicestershire CBL Partnership – this is unlikely to lead to savings.

10.2 Outsource the service – this is unlikely to lead to savings and will reduce in-house capacity within the housing team to respond to homelessness.

## 11 Background Papers

11.1 *None*

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**Previous report(s): Housing Services Review, Executive 11 July 2016.**

**Information Issued Under Sensitive Issue Procedure: Y/N**

**Ward Members Notified: Y/N**

**Appendices: NONE**