



## Executive Director/Director Non-Key Executive Decision Report

**Author/Lead Officer of Report:** Amanda Baxter,  
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Manager

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**Report to:** Executive Director of Place Laraine Manley

**Date of Decision:** 24<sup>th</sup> November 2020

**Subject:** Authorising a specified Registered Provider of Social Housing to carry out allocations on behalf of the Council by using the Council's Choice Based Lettings system.

Which Cabinet Member Portfolio does this relate to? Neighbourhoods and Community Safety

Which Scrutiny and Policy Development Committee does this relate to? Safer and Stronger Communities, Scrutiny and Policy Development Committee

Has an Equality Impact Assessment (EIA) been undertaken? Yes  No

If YES, what EIA reference number has it been given? *(Insert reference number)*

Does the report contain confidential or exempt information? Yes  No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

*"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."*

### Purpose of Report:

*(Outline the decision being sought or proposal being recommended for approval.)*

The Council uses a computer system for Choice Based Lettings (CBL). The CBL system has the facility for Registered Providers of Social Housing (RPs) to directly advertise and allocate their own properties, including those reserved for nomination under the Council's Allocations Policy.

The effect of granting RPs access to advertise and allocate their properties is that

they carry out allocations on behalf on the Council. A number of RPs have been authorised to do this as a result of decisions by the Executive Director, Communities. A further Registered Provider, Home Group Ltd, now wishes to have access to the Council's Choice Based Lettings system and therefore also requires authorisation to carry out allocations on behalf of the Council. This report seeks that authorisation.

**Recommendations:**

That Home Group Ltd, a Registered Provider of Social Housing, is authorised under the Local Authorities (Contracting Out of Allocation of Housing and Homelessness Functions) Order 1996 to carry out the function of allocation of housing accommodation on behalf of the Council by nominating applicants to be assured tenants of its housing accommodation.

That the Council enters into an agreement in the form attached as an Appendix to this report with Home Group Limited and that its authorisation be limited to the provisions in respect of Nominations contained in Schedule 1 to the agreement.

**Background Papers:**

*(Insert details of any background papers used in the compilation of the report.)*  
 Appendix: Lettings Agreement (Back Office)

<b>Lead Officer to complete:-</b>	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Karen Jones</i>
	Legal: <i>Andrea Simpson</i>
	Equalities: <i>Louise Nunn</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>Lead Officer Name:</b> <i>Amanda Baxter</i>
	<b>Job Title:</b> <i>Social Landlords Relationship Team Acting Manager</i>
<b>Date: 11th February 2020</b>	

## 1. PROPOSAL

1.1 Private Registered Providers of Social Housing (RPs) (Housing Associations) own and manage around 16,400 general needs and sheltered housing units in Sheffield that may be let via the Council's Choice Based Lettings (CBL) system. This compares with around 39,000 general needs and sheltered properties owned by Sheffield City Council.

1.2 The Abris CBL system was implemented by the Council in October 2013. The system has the facility for RPs to directly advertise and allocate their own properties, including those reserved for nomination under the Council's Allocations Policy. Currently, ten of the city's Registered Providers have access to the CBL system, representing around 15,300 properties (93% of the RP owned general needs and sheltered properties). An agreement between the Council and RPs governs the way that back office access operates, protecting the Council's interests in a form which is acceptable to RPs. A copy of the agreement is attached as an Appendix to this report.

1.3 The effect of granting RPs back office access to the CBL system is that they carry out allocations on behalf on the Council. The RPs who currently have access were authorised to do this by a decision of the Executive Director, Communities in December 2014. They are:

- Acis Group Ltd
- Arches Housing Ltd
- Together Housing Association Ltd (previously authorised separately as Chevin and Pennine 2000)
- Equity Housing Group Ltd
- Great Places Housing Association
- The Guinness Partnership
- Places for People Homes Ltd
- Sanctuary Housing Association
- South Yorkshire Housing Association
- Yorkshire Housing Ltd

1.4 A further RP, 'Johnnie' Johnson Housing Trust Limited (JJHT), was authorised back office access in 2016 by a decision of the Executive Director, Communities in November 2016 and the agreement was signed by JJHT in September 2019.

1.5 The current proposal is for a further RP, Home Group Ltd, which manages 243 properties in Sheffield, to have back office access to the CBL system and be authorised to carry out allocation functions on behalf of the Council.

- 1.6 The work of managing advertising for nominations to and lettings by those RPs which do not have access to the CBL system, currently including Home Group Ltd, is managed by the Lettings team in the Council Housing and Neighbourhoods Service (HNS). It is estimated that work done on behalf of Home Group currently represents about a quarter of the back office lettings work done on behalf of RPs and that allowing Home Group Ltd to have access to the Choice Based Lettings system would free up some resource in that team.
- 1.7 The impact of allowing Home Group Ltd to have access to CBL will be a short term requirement for training for one or two members of its staff, which will be carried out by HNS officers, and then an ongoing requirement for refresher training, communication and support, in the same way as there is for RPs who already have access to the CBL system. The move will remove the need for HNS staff to carry out the lettings function on behalf of Home Group Ltd.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 Working with RPs in the city in this way for the benefit of customers contributes to the Corporate Plan priority of being an In-touch Organisation.
- 2.2 RPs must enter into an agreement with the Council to be allowed back office access to the CBL system. The agreement specifies that a minimum of 50% of the RP's vacant properties must be let to nominations from the Council.
- 2.3 Home Group Ltd is not currently contractually required to provide 50% of its lettings for nomination so the agreement will provide a more sustainable basis for assuring that the target level of nominations from the Housing Register is met and the proposal therefore has a positive impact on outcomes for the people of Sheffield.
- 2.4 Because RPs with access to the CBL system pay a flat rate annual contribution for unlimited use of the system, it is in their interests to advertise the majority of their empty properties via CBL. This may have a positive effect on the people of Sheffield in this case as potentially more properties will be advertised via CBL rather than through Home Group's own application process.
- 2.5 The outcome of Home Group Ltd having access to the CBL system for the people of Sheffield is therefore either positive or neutral. The same process will be carried out, except by Home Group Ltd rather than Council staff. There is no change to the policy governing how properties will be allocated.

### **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 There is no requirement to carry out consultation in respect of this proposal. There has been continuing consultation with all RPs in the city since the development of the Abrisas system and they have all been offered the opportunity to have back office access.

### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### **4.1 Equality of Opportunity Implications**

- 4.1.1 There are no equality of opportunity implications to the proposals in this report as the same properties should be allocated to the same applicants by the same process as currently.

#### **4.2 Financial and Commercial Implications**

- 4.2.1 Each RP with access to the CBL system is charged on a pro-rata basis based on the number of units capable of being let through CBL.
- 4.2.2 Total stock of Council and RP properties that can be let using CBL is around 55,400 properties. The apportioned costs per landlord are calculated by dividing the total applicable costs of running the CBL system by the total number of properties and multiplying the result by the number of properties held by that landlord.
- 4.2.3 Costs included in the calculation are the costs of Abrisas hosting and support and some Council officer costs. The costs do not include the cost of maintaining the housing register and therefore the apportioned costs represent a contribution to the total costs.
- 4.2.4 Because Home Group is small provider in relative terms (243 social rented units), the impact of authorising them to make allocations on behalf of the Council and allowing them access to the CBL system is small, both financially and in terms of staff resource.
- 4.2.5 They are currently charged on the basis of a fee per advert used (£33.46) and nomination offered (£23.17) and invoiced quarterly. These fees are increased annually with the fee increase based RPI. The amount Home Group paid over the financial year 2018 – 2019 for lettings work done on their behalf was £662.35. The amount they have paid in the financial year 2019 – 2020 so far for 2 quarters is £468.51. The amount they pay depends on how many properties become vacant and how many nominations it takes to achieve a letting, so the amount they pay varies from year to year. The amount they would have paid as a pro-rata contribution over the same period 2018 – 2019 if they had had CBL access would have been £434.

4.2.6 Home Group is currently invoiced quarterly on a pay per advert and pay per nomination basis. When they move to making their own lettings on the CBL system they will be invoiced annually which will provide a Council saving in staff time in managing the invoicing. There will also be a saving in staff time in the Lettings team as this team will no longer have to manage their lettings on their behalf, although this will be offset to begin with by the need to spend some staff time on training their staff to use the system.

#### 4.3 Legal Implications

4.3.1 When an RP with access to the CBL system makes a letting in accordance with the Council's Allocations Policy and nomination rights agreed with the RP, the effect is that the RP is carrying out a nomination, which is an "allocation" under Part 6 of the Housing Act 1996. Allocation is a function of the Council as local housing authority. By virtue of The Local Authorities (Contracting Out of Allocation of Housing and Homelessness Functions) Order 1996 the Council can authorise other bodies to carry out the function on its behalf; in order that nominations made by the RP are lawful it must do so.

4.3.2 It is necessary to put in place appropriate arrangements to secure the desired outcomes, ensure compliance with legal requirements and protect the Council's position. The agreement entered into by the Council with those RPs who have back office access to the CBL system meets these requirements.

### 5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 The alternative option is to remain in the current position, and not permit Home Group access to the CBL system. This option has been rejected as it would not be consistent with the offer made to all HAs to have access to the system and would be less efficient.

### 6. **REASONS FOR RECOMMENDATIONS**

6.1 The reason for the recommendation is that authorisation is needed to allow Home Group Ltd access to the CBL system. Access was initially offered to all RPs in 2014, and has been taken up by most of the larger RPs in the city, and it would be inconsistent with that offer not to allow Home Group access to the system now.

