

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

---

**REPORT TO:** Leader and Cabinet 12 October 2006  
**AUTHOR/S:** Executive Director/Head of Housing Strategic Services

---

### ADMINISTRATION OF THE LOW COST HOME OWNERSHIP REGISTER

#### Purpose

1. To consider a proposal that the administration of the Council's Low Cost Homes Ownership (LCHO) Register be managed by the Homebuy Agent for the Cambridge Sub-region Bedfordshire Pilgrims Housing Association (BPHA).

#### Effect on Corporate Objectives

2.	Quality, Accessible Services	The proposal seeks to improve services to customers who are interested in LCHO through a web-based 'one stop shop' approach.
	Village Life	
	Sustainability	The provision of a range of affordable housing including low cost home ownership products such as shared ownership enable local people, who are unable to afford to purchase their own homes, to access homes in our villages. These schemes enable local people to be able to remain in/return to our villages and contribute to the sustainability of and quality of life in our villages.
	Partnership	This proposal has been developed in partnership with other local authorities, the Homebuy Agent and Registered Social Landlords(RSLs) with existing and planned low cost home ownership schemes in the Cambridge Sub-region.

#### Background

3. The role of 'Zone Agent' was first promoted in 2004 by the Office of the Deputy Prime Minister and was primarily to manage Key Worker housing schemes and products being promoted by central government as part of its policy initiative to target the housing needs of public sector workers.
4. The Housing Corporation appointed Zone Agents through a competitive selection process with successful agents operating in designated zones which were mostly, although not in all cases, consistent with housing sub-regional boundaries. The agent appointed for both the Cambridge and Bedford Sub-region zone for 2004-2006 was BPHA.
5. From April 2006 'Homebuy' agents with an expanded role will act as a one stop shop for applicants for all Housing Corporation National Affordable Housing Programme (NAHP) funded LCHO products. This followed a positive response in the consultation on *HomeBuy: Expanding the Opportunity to Own* to extending the zone agent concept used under Key Worker Living to cover all low cost home ownership products.
6. The new 'Homebuy agent' role encompasses the following:

- holding the local waiting list for all applicants for Government supported LCHO schemes funded through the NAHP from 2006–07 onwards in a zone
  - processing all applications for LCHO schemes using a single standard application form
  - assessing eligibility for assistance and maintaining a database of all eligible applicants
  - managing all, non-specialist, open market HomeBuy programmes and holding Government's equity share
  - providing applicants with information on all the available LCHO schemes in their area funded since April 2006.
  - pre-April 2006 schemes will also be included where a service level agreement already operates with a developing RSL
  - headline marketing all LCHO schemes funded since April 2006 on behalf of developing organisations
  - providing developing organisations with information on eligible applicants from the waiting list who have expressed interest in specific schemes/areas
  - providing the Housing Corporation, employers, local authorities, regional housing bodies and DCLG with detailed monitoring information on the progress of the scheme as required.
7. The Homebuy agents are also expected to work with local authorities and other social landlords on ensuring help is targeted to priority groups to ensure the freeing up of social lets and complement the development of choice based lettings. The role is intended to complement local arrangements and local stakeholders are therefore able to negotiate separately for the Homebuy agent to take on additional functions.
8. The Homebuy agents will not be able to charge organisations for the services they are required to provide as part of their contract with the Housing Corporation. They receive a revenue funding stream from the Housing Corporation linked to their Open Market Homebuy allocation. They will, however, be able to charge for additional services provided through negotiations with local stakeholders eg for the inclusion of non grant funded units and re-sales of existing LCHO products.

### **Considerations**

9. The Council currently maintains a separate stand alone LCHO Register on a Microsoft Access database. Those applicants who express an interest in any LCHO options on their completed application form will have their details entered on both the general Housing Register and the LCHO Register. Further applicants who are only interested in LCHO options are still required to complete the general housing needs application form.
10. There are currently around 600 applicants on the LCHO Register. Further the numbers expressing an interest in LCHO options has increased considerably as awareness has increased and are expected to rise further with the number of units that are expected to become available as a result of various central government initiatives to provide more opportunities for people to own their own homes.
11. However, the expanded role of Homebuy agents includes the requirement to hold a waiting list and provide nominees for all grant funded LCHO schemes completed from April 2006.

12. The local authorities in the Cambridge Sub-region have, therefore held a series of meetings with BPHA since their appointment as the Homebuy agent for 2006-08 for the Cambridge Sub-region, Bedfordshire and Northamptonshire zones as a result of a competitive bidding process carried out by the Housing Corporation in the Autumn of last year.
13. The purpose of these meetings was initially to develop and agree a service level agreement that would address some key shared concerns about their role as Homebuy agent. In particular the following areas were considered to be of particular importance:
  - how the Homebuy Agent role would operate alongside the move to Choice Based Lettings (CBL)
  - how to ensure that we can achieve a customer centred approach for access to all LCHO and not just NAHP funded schemes ie inclusion of re-sales and non-grant funded units
  - how the waiting lists currently maintained by the local authorities could operate alongside that to be held by the Homebuy agent
14. The local authorities in the Cambridge Sub-region and the Homebuy agent consider that a 'one stop shop' for LCHO would be the preferred approach. To achieve this the local authorities would need to transfer responsibility for managing their individual LCHO waiting lists to the Homebuy agent.
15. A draft Service Level Agreement (SLA) has been drafted and agreed in consultation not only with local authorities in the Cambridge Sub-region but also in Bedfordshire. Following consultation with the Housing Corporation and other Homebuy Agents in the region this SLA is being promoted as a model that will be rolled out in other zones across the East of England. A copy of the draft SLA is attached as an **appendix** to this report.
16. Further RSLs who are bringing forward non grant funded schemes in the sub-region and who have potential resale units would need to be willing to sign up to a separate SLA with the Homebuy agent in order to include these as well as grant funded units. Initial meetings have been held by the Homebuy agent with the relevant RSLs to progress this and will be followed up with meetings that also involve the local authorities as well as the Housing Corporation in the hope that 100% sign up can be achieved.
17. The major benefit of the proposed 'one-stop' shop approach for customers is that they need only apply to one organisation to enable them to access LCHO properties available/to become available across not only the Cambridge Sub-region but also in Bedfordshire and Northamptonshire. Further there will be links through the website to other Homebuy agents so information on LCHO products across the wider region will be easily accessible. BPHA have a dedicated website – Keyhomes East – which enables applicants to register an application on-line as well as view all available properties.
18. In terms of other improvements to the service currently provided by the Council these include:
  - a financial assessment of all applicants when they apply in terms of their ability to afford LCHO options. Those applicants on marginal incomes or who have been assessed as unable to afford LCHO can then be referred to the Council's Housing Options team for advice on alternative housing choices

- a dedicated and specialist team who can provide advice and assistance on LCHO products/availability across a wider area than South Cambridgeshire
  - clearly defined service standards and performance indicators as required to meet Housing Corporation/DCLG service specifications
19. The major advantages to the Council of outsourcing the administration of the LCHO Register are as follows:
- staffing resources will be released to concentrate the housing options approach which is key to our homelessness prevention work and the delivery of our Homelessness Strategy
  - the Council will still have the opportunity to prioritise applicants from any list of potential nominees provided to an RSL by BPHA eg to ensure applicants have a relevant local connection where this is required under a section 106 Agreement
  - BPHA would be able to provide more detailed information than we currently have available eg demand for LCHO products that will be useful in developing and updating our local and Sub-regional Housing Strategies. The information requirements are included in the draft SLA
20. The only potential issue arising from the proposal is that there may be a cost attached to the administration of the LCHO Register being performed by BPHA. This is because although they are required to manage a list of eligible applicants for LCHO as part of their contract with the Housing Corporation as a Homebuy agent there will be additional work in terms of managing a much larger register, providing lists of nominees for non grant funded and resale units as well as grant funded schemes and providing regular and ad hoc reports to Local Authorities.
21. The development of an LCHO 'one stop' shop will be consistent with the move to CBL because of the links that will be incorporated between the 2 schemes which will both be based on web-based technology. To ensure the 2 schemes will be compatible the Homebuy agent is an active member of the CBL Project.

### **Options**

22. The Council has 2 options available in respect of the administration of the LCHO Register as follows:
- 1) To enter into an SLA with BPHA as Homebuy agent to carry out this function subject to the participation of other local authorities and RSLs and other providers of LCHO products operating in the in the Cambridge Sub-region in a preferred 'one stop' shop approach.
  - 2) To continue to administer a local LCHO Register. This would result in applicants being required to register with more than one organisation in order to access available properties and the process would, therefore, be less open and transparent to our customers.

### **Financial Implications**

23. It is anticipated that if the developing RSLs are willing to participate in the advocated 'one stop' shop approach for all LCHO products that there would be no cost to each local authority partner of providing the service.
24. This nil cost option compares very favourably with the level of resources currently required to administer the function by the Council as this was a significant responsibility of the role of a dedicated Equity Share Officer (40% of the post-holders time in 2005/06).

25. Further other staff are involved in the administration of the LCHO Register eg ICT support the Microsoft Access database and administrative staff assist in producing and processing application forms. In addition postage and printing costs are associated with producing the application forms, review forms and associated correspondence eg acknowledgement letters which would no longer be required if BPHA were to take on this function. Such savings could be further quantified in order to contribute towards Gershon Efficiency savings targets.
26. In the event that the scheme proves successful and the role of the Homebuy agent is continued beyond March 2008 than the terms of the SLA will need to be renegotiated. It is not known at this time whether the service could be provided to Local Authorities at no cost in the longer term. Any future contributions would need to be accommodated within mainstream Housing General Fund budgets.

### **Legal Implications**

27. An SLA will set out the terms of the agreement between the Local Authority partners in the Cambridge Sub-region and the Homebuy agent which will be for an initial period of 18 months from 1 October 2006 to 31 March 2008.

### **Staffing Implications**

28. Following the reorganisation of Housing Services completed in April 2006 the responsibility for the administration of the LCHO Register has been transferred to the new Housing Options team. However, there are only 2 full time members of staff within the team who are also responsible for managing the Housing Register, with around 5,000 applicants, allocating vacant properties within the Council's housing stock (289 in 2005/06) and providing nominations to RSLs (113 for rented units in 2005/06).
29. The same team are also responsible for providing advice to housing applicants on their housing choices, which includes private sector as well as affordable housing options as part of the Council's wider homelessness prevention strategy which should be a major focus of their work rather than the performance of administrative processes.
30. Therefore the outsourcing of the administration of the LCHO Register will free up valuable and limited housing resources which can be targeted to priority work areas. This should have knock on benefits if the housing options approach can be successfully implemented in terms of reduced number of homeless applications and the potential cost savings that should arise from lower numbers of homeless households in temporary accommodation, etc.

### **Risk Management Implications**

31. The 'one stop' shop approach is dependent on sign up from all partner agencies involved. Whilst the proposal has the full support of all the local authorities in the Cambridge sub-region, the Homebuy agent and Housing Corporation all RSL partners need to be on board. It is anticipated that a separate SLA will be agreed with the vast majority, if not all RSL, partners in order to achieve this objective.
32. The Homebuy agent role is for a 2 year period only and at this time it is not clear whether the DCLG/Housing Corporation will extend the role beyond 31 March 2008

and, if so, what selection process will be carried out, if any, to appoint Homebuy agents for April 2008 onwards.

33. However, the risk is manageable in that the SLA is for the period up to 31 March 2008 only and contains a review mechanism that will enable the local authority partners to consider options when there is more clarity about future policy direction within central government in this area.
34. If necessary the administration of the LCHO Register can be brought back in house as the Council will continue to 'own' the data through the SLA. However, this would have a potentially adverse impact on the ability of housing staff to deliver priorities eg homelessness prevention work, allocations and nominations given current staffing levels within the Housing Options team.

### **Consultations**

35. All the local authorities in the Cambridge Sub-region and Bedfordshire have been fully involved in the development of the draft SLA.
36. The Housing Corporation and other Homebuy agents operating in the East of England have been consulted with a view the draft SLA being used as a model to be rolled out more widely across the region.
37. All RSLs and other providers of LCHO products, with or without grant, have been consulted on the proposal to develop a 'one-stop' shop approach for LCHO which will be complementary with the proposed Cambridge Sub-region CBL scheme. A separate SLA has been drafted for RSL and other partners to sign up to the scheme.
38. This report was also considered by the Housing Portfolio Holder on 4 September 2006.

### **Conclusions/Summary**

39. The Council currently maintains a separate stand alone LCHO Register on a Microsoft Access database. Those applicants who express an interest in any LCHO options on their completed application form will have their details entered on both the general Housing Register and the LCHO Register. Further applicants who are only interested in LCHO options are still required to complete the general housing needs application form.
40. There are currently around 600 applicants on the LCHO Register. Further the numbers expressing an interest in LCHO options has increased considerably as awareness has increased and are expected to rise further with the number of units that are expected to become available as a result of various central government initiatives to provide more opportunities for people to own their own homes.
41. From April 2006 'Homebuy' agents with an expanded role will act as a one stop shop for applicants for all Housing Corporation National Affordable Housing Programme (NAHP) funded LCHO products. The role of Homebuy agents includes the requirement to hold a waiting list and provide nominees for all grant funded LCHO schemes completed from April 2006.
42. The Homebuy agents are also expected to work with local authorities and other social landlords on ensuring help is targeted to priority groups to ensure the freeing up of social lets and complement the development of choice based lettings. The role is

intended to complement local arrangements and local stakeholders are therefore able to negotiate separately for the Homebuy agent to take on additional functions.

43. The local authorities in the Cambridge Sub-region and the Homebuy agent consider that a 'one stop shop' for LCHO that includes all products, whether provided with or without grant as well as resales of existing units is the preferred approach.
44. A draft Service Level Agreement (SLA) has been drafted and agreed in consultation not only with local authorities in the Cambridge Sub-region but also in Bedfordshire. Following consultation with the Housing Corporation and other Homebuy Agents in the region this SLA is being promoted as a model that will be rolled out in other zones across the East of England. A copy of the draft SLA is attached as an appendix to this report.
45. The development of an LCHO 'one stop' shop will be consistent with the move to CBL because of the links that will be incorporated between the 2 schemes which will both be based on web-based technology..
46. The Council has 2 options available in respect of the administration of the LCHO Register. These are either to continue to manage a local list for LCHO in-house or outsource the function to BPHA as the Homebuy agent for the Cambridge Sub-region. It is recommended that the latter option be agreed because of the advantages of this approach for both customers and the Council.
47. It is anticipated that if all the developing RSLs are willing to participate in the advocated 'one stop' shop approach for all LCHO products that the cost to each local authority partner should be no more than £2,000 per annum.

It is considered that this offers cost as well as efficiency savings to the Council which could contribute towards Gershon efficiency targets as the administration of the LCHO Register would be provided free of charge to Local Authorities, at least for the initial contract period ie up to 31 March 2008. Any additional costs incurred by the Homebuy Agent would be met by participating RSLs.

48. In the event that the scheme proves successful and the role of the Homebuy agent is continued beyond March 2008 than future contributions, if any, would need to be accommodated within mainstream Housing General Fund budgets.
49. The outsourcing of the administration of the LCHO Register will free up valuable and limited housing staffing resources which can be targeted to priority work areas. This should have knock on benefits if the housing options approach can be successfully implemented in terms of reduced number of homeless applications and the potential cost savings that should arise from lower numbers of homeless households in temporary accommodation, etc.

#### **Risk Management Implications**

50. The 'one stop' shop approach is dependent on sign up from all partner agencies involved and the Homebuy agent role is for a 2 year period only and at this time it is not clear whether the DCLG/Housing Corporation will extend the role beyond 31 March 2008 and, if so, what selection process will be carried out, if any, to appoint Homebuy agents for April 2008 onwards.
51. If necessary the administration of the LCHO Register can be brought back in house as the Council will continue to 'own' the data through the SLA. However, this would

have a potentially adverse impact on the ability of housing staff to deliver priorities eg homelessness prevention work, allocations and nominations given current staffing levels within the Housing Options team.

### **Recommendations**

52. It is recommended that the:
- (a) responsibility for the administration of the LCHO Register is transferred to BPHA as the Housing Corporation/DCLG appointed Homebuy agent for the Cambridge Sub-region for the period 1 October 2006 to 31 March 2008.
  - (b) service level agreement attached as an Appendix to this report be agreed as the basis for the terms of the arrangement, and
  - (c) options for the administration of the LCHO Register beyond March 2008 be brought forward for consideration by no later than January/February 2008.

**Background Papers:** the following background papers were used in the preparation of this report: None.

**Contact Officer:** Denise Lewis Head of Housing Strategic Services  
Telephone: (01954) 713351