Review of the Wirralhomes Choice-based Lettings Service

Report to: Wirral Council
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Executive Summary

Review Background and Methodology

Wirralhomes is a choice-based lettings (CBL) partnership scheme involving Wirral Council and the twelve most active RSLs in the borough with a joint stock of some 20,000 properties. Wirralhomes is operated by Wirral Council on behalf of all partners under the guidance of a Steering Group comprising all the partners. Initially established in 2003, Wirralhomes was one of the first CBL systems operating in England.

However, there has been concern within the partnership that the service no longer offers value for money, and that it needs to catch up with technical developments in the field and the changing expectations of Central Government, the Housing Corporation, the Audit Commission and customers. Wirral Council therefore commissioned the authors to review of the Wirralhomes system.

Research objectives, as identified in the Council’s brief, included investigating:

- How other comparable local authorities and partner RSLs organise joint CBL services and the level of service offered to customers;
- The value for money the Wirralhomes scheme offers partner RSLs and the Council and how costs are shared across CBL scheme partners operating in similar contexts;
- The housing systems currently used by Wirralhomes partner RSLs and the ability of any potential new ICT system/s to integrate with the RSL systems.

A number of distinct elements were involved in the project:

- Interviews with key staff of Wirral Council and Wirralhomes partner RSLs
- Contacts with other Merseyside/Cheshire organisations who might potentially be involved in the Wirralhomes partnership
- Development of a system functionality requirements ‘shopping list’
- E-mail survey covering CBL partnerships in post-transfer local authority areas elsewhere across England (and also including in-depth interviews with four CBL scheme lead organisations operating in these areas)
- Analysis of CORE lettings data for Wirral and comparable local authorities
- A review of the ICT marketplace to gauge options for upgrading Wirralhomes software

Wirralhomes Origin and Operation

Wirral Council operates the joint CBL scheme as part of its strategic housing role and on behalf of 12 partner RSLs. Collectively, member RSLs account for more than 90 per cent of social landlord lets in the borough. The Council aspires to further expand
the scope of the scheme to encompass remaining non-member RSLs and lets by accredited private landlords.

On the applicant side, the scheme is limited to the extent that statutory homeless households are subject to rehousing through ‘direct lets’ and, hence, excluded from CBL. This is unusual and arguably in conflict with Central Government guidance.

Although a Service Level Agreement (SLA) was drawn up as a framework for the partnership in 2003/04, not all ‘member RSLs’ have signed up to this document. And, whilst there is a Steering Group which meets to discuss matters of common interest, this is not formally constituted and lacks decision-making powers. To a large extent, therefore, the partnership is currently run on an informal basis.

The Wirralhomes budget amounts to around £400,000 in 2007/08, with most of the costs being salary related. For reference, annual revenue costs cited by other CBL partnerships contacted in the research ranged from £25k to £600k although (in contrast to Wirralhomes) there were often hidden subsidies in the form of un-costed inputs. By adopting a more sophisticated ICT system Wirralhomes could be expected to generate substantial economies on staff costs. However, if better technology produces a system more efficient in terms of staff ‘processing tasks’ Wirralhomes should consider devoting some of the resulting savings to the provision of more intensive assistance to vulnerable applicants.

There is also a medium term challenge posed by the fact that the funding for two staff members is due to expire in 2010, implying a need for partner agencies to increase, rather than reduce, their salary-cost contributions.

Other than salary-related and central support costs the only major budget item is press advertising which is projected to absorb around 15 per cent of total scheme costs in 2007/08. Given the range of channels through which vacancy adverts can be publicised, some partner agencies question whether press advertising is, in fact, essential.

**Wirralhomes Strengths and Weaknesses – Partner Agency Perspectives**

From interviews with stakeholders and discussions at the ICT Functional Requirements workshop on 31 October, it is clear that many partners are proud of the pioneering work on the Wirral Unified Waiting List Agency in the 1990s and the early adoption of CBL in 2003. RSL partners are also supportive of the dedication and commitment of Wirralhomes staff with many emphasising their effective and strong operational working relationships for over a decade.

The RSL partners are a diverse group with some working exclusively in the Wirral, others on Merseyside, while others work across the North West and beyond. The consolidation of organisations into Group Structures is also a key dynamic on their cultures and operational requirements. Some operate from local Wirral bases, others are based ‘across the water’ in Liverpool while others have key aspects of their void re-servicing and allocations processes operated from shared service centres remote from the Wirral. Arising from this diversity are differences in RSLs’ service requirements from Wirralhomes, and this could suggest consideration be given to Wirralhomes moving towards offering a tariff of service options to partners for...
services such as pooled advertising and improved verification and references checking.

Some partner RSLs with experience of CBL schemes elsewhere consider that the suitability of shortlisted applicants under Wirralhomes is better than in other areas. Nevertheless, many partners are concerned about abortive work undertaken in contacting and verifying shortlisted households and for dealing with queries and complaints from ‘by-passed’ households. In view of this the main body of this report considers some improvement ideas for the registration and expressions of interest processes as well as to compiling of shortlists.

Some partners favour widening bidder eligibility and the use of ‘first-come-first-served’ approaches to allocations for ‘Instant Homes’ to relet their most difficult to let properties. There is clear support for streamlining advertising procedures and lead times. It is also considered that the inappropriateness and apparent over-supply of some forms of sheltered housing warrants a Wirral-wide Best Value review to address the provision of appropriate supported housing services for elders.

Improving governance arrangements for the Wirralhomes Partnership is also seen as desirable among RSL partners. Moving towards a strategically focused steering group and an operationally focused practitioners’ forum had widespread support. Allied to this it is suggested that formalising the Partnership around a set of defined service standards developed with residents would provide a timely service improvement opportunity for all partners and could re-establish the Wirral’s credentials as a CBL pioneer.

Foremost amongst partner concerns was the value for money offered by the Wirralhomes service. All partner RSLs acknowledge that Wirralhomes is constrained by its current ICT systems and that this inhibits efficient working practices, customer access arrangements and the achievement of value for money. In particular, Wirralhomes staff need to perform laborious workarounds utilising Microsoft Excel to support bidding and shortlisting processes for non-Wirral Partnership Homes void editions and this is undermining their ability to work effectively. Many partners perceive Wirralhomes staff as being busy and diligent but that the inefficiency of current operations is undermining their productivity and in need of urgent change.

Improvements to ICT for customer self-service and staff operations – especially in relation to shortlisting – featuring prominently in suggested solutions. Other key ideas for improving VFM included fully integrating the Disabled Persons Housing Register, reducing advertising costs and reviewing central support recharges between Wirral MBC and Wirralhomes. Key themes to emerge from partners in relation to the cost sharing approach are also outlined in the main body of the report.

Choice-based Lettings and Rehousing Performance

According to RSL CORE returns, two thirds of all 2006/07 lets recorded by Wirralhomes member HAs were made via choice-based lettings (see Table 4.1). Excluding those involving statutory homeless households, some 84 per cent of 2006/07 lets by the partner landlords were made through CBL.
Only just over half (54 per cent) of Wirral CBL lets in 2006/07 were achieved without the property being initially refused. In more than one in six instances lettings were achieved only after the property had already been refused at least three times. The significant incidence of refusals will have contributed to the relatively high overall mean relet interval for Wirral CBL lets of 43 days. In comparison with transfer RSLs in other comparable areas, Wirral Partnership Homes records relatively high rates of tenancy offer refusals. However, this is true of both CBL and non-CBL lets. Therefore, these findings do not necessarily indicate that – whatever its defects – the Wirralhomes CBL system is significantly less efficient than similar systems in operation elsewhere.

Wirral lets achieved under CBL typically take somewhat longer to achieve than the minority of those processed as ‘direct lettings’. However, the same pattern is found in most other comparable local authority areas and probably reflects the fact that non-CBL lets tend to be ‘exceptional’ and therefore not properly comparable with CBL lets. For example, it may well be that such lets disproportionately involve categories such as statutory homeless households or management transfers. Partly because of applicants’ limited scope to refuse offers in such circumstances, it would be expected that lets of these types could be relatively quickly achieved.

Comparing void management performance in 2006/07 with that recorded immediately before the introduction of CBL it appears that virtually all partner HAs have improved their performance – a number by considerable margins. By contrast, associations outwith the Wirralhomes partnership saw deteriorating relet performance over this period. Overall, therefore, there is no evidence to suppose that CBL has compromised housing management efficiency and good grounds for believing that the opposite is true.

**Review of CBL Partnerships Elsewhere in England**

The e-mail survey of CBL partnerships undertaken as part of the research covered the 26 local authority areas where former council housing had been transferred and where multi-RSL CBL systems were in operation. The survey drew responses from 22 LAs/RSLs – an 85 per cent response rate.

The schemes surveyed broke down evenly between those where the lead agency was the post-transfer local authority and where this role was played by the transfer RSL. However, the RSL-led model was much more common in larger and urban councils, whilst LA leadership was almost universal in (typically smaller and more rural) districts. As a metropolitan area where the Council retains scheme leadership, Wirral is, therefore, unusual.

In their scope, most CBL partnerships were ‘comprehensive’ in that partner RSLs processed all or most of their lets through the system. However, schemes led by transfer RSLs tended to be ‘partial’ in the sense that non-transfer RSL participants often contributed only those lets designated as fulfilling their nomination obligations. In only three cases did schemes involve private lettings being advertised alongside social housing vacancies.

Less than half of the schemes could be characterised as ‘full partnerships’ in the sense of being governed by a board or steering group (as in Wirral). More commonly, there
was a strong scheme lead organisation which effectively retained responsibility for operational decisions – albeit in consultation with partner RSLs. In most cases it was reported that member RSLs were bound into the arrangement by some form of documented understanding but it may be that in some cases this was simply a reference to a nominations agreement rather than an SLA or similar compact.

There was no single dominant approach to sharing CBL costs. Perhaps surprisingly, some schemes were wholly or largely funded by (post-transfer) LAs. In others, by contrast, it was reported that LAs made no financial contribution. Most cases, however, lay between these extremes. Some involved resource contributions being fixed according to functional divisions of responsibility – e.g. where the local authority paid staff costs whereas RSLs funded advertising. A variant of this model, as operated in four areas, was where the local authority funded housing register maintenance costs, whilst RSLs shared lettings-related activities (e.g. pro rata to stock).

Eight software models were represented among the 22 schemes although the most numerous were those supplied by Supplier 1, Supplier 7 and Supplier 8. Functionality scores for Supplier 1 tended to be well above those for all other suppliers. This aligned with our revised supplier ‘functionality scores’ from the Market Assessment exercise, once Supplier 6 ‘added cost’ enhancements were omitted to give a better reflection of supplier ‘existing’ functionality.

**Upgrading Wirralhomes: ICT System Requirements**

The current lack of provision for customer self-service for either the housing register or the placing of expressions of interest/bids for available properties contributes to the high-level of manual processing of information by Wirralhomes. This is exacerbated by void editions for properties being held on the core Supplier 5 application only for WPH properties. Consequently, for approximately 40 per cent of all CBL lettings the Wirralhomes Team have to shortlist in property void edition specific Excel spreadsheets. This is a time-consuming approach and undermines effective working practices since as it entails transcribing data, it is difficult to prevent duplicate bids. Similarly, in providing reports or dealing with queries from applicants or Councillors it can take hours to collate the necessary data. In addition, many RSLs have compatibility issues with the current Virtual Private Network access arrangements to Supplier 5 and they would prefer a web-based application.

Wirralhomes staff generally consider the functionality offered by the current Supplier 5 configuration is acceptable for applications functionality and Group 1 WPH properties shortlisting, but that it offers poor support for Group 2 WPH properties shortlisting and for recording bids for other RSL properties. However, a number of shortcomings with the current configuration and usage of Supplier 5 are identified in the main body of the report in relation to applicant registrations and bids processing. We have estimated some metrics on current transaction times to evidence where improvements in ICT functionality for customer self-service and more effective staff working would improve efficiency. As the next steps in the final recommendations section makes clear, more work is needed to value current transaction costs of existing ways of working.
The report outlines the process by which the ICT Functional Requirements were developed for the market assessment, with a particular focus on the findings to emerge from the all-day ICT Functional Requirements Workshop on 31 October 2007. This led to the preparation of a ‘shopping list’ of functionality structured around the following key themes: accessibility and systems availability (including service standards); hosting arrangements; applications processing, verification and assessment; the scope of properties covered and stock data held; void edition marketing; searching for available properties and bidding; matching and shortlisting; offer resulting; reporting and customer feedback and any interfaces required.

The functionality ‘shopping list’ was refined by attending a Supplier 5 CBL user group and then reviewed at the Wirralhomes Steering Group meeting on 15 November. A pre-procurement market assessment document based on the functional requirements was then dispatched to suppliers on 19 November and the findings from this assessment are discussed below.

**Options for Wirralhomes ICT System Upgrade**

We consider the main options for upgrading Wirralhomes ICT to improve efficiency and customer access arrangements as involving (a) upgrading the Supplier 5 system, (b) buying in a new third party system or (c) adopting a hybrid approach and retaining Supplier 5 for some areas of functionality, though supplemented by a third party system. In view of the Council and WPH both having a licence for Supplier 5 there are then further options in relation to which database instance to consider upgrading.

Before evaluating each of these options, the report outlines the process by which the market assessment was conducted. Based on Wirralhomes current ICT provider (Supplier 5) supplemented by suppliers with ‘niche’ reputations and credentials in offering housing register and CBL functionality, six organisation were selected and invited to participate; these included: Supplier 1, Supplier 2, Supplier 3, Supplier 4, Supplier 5 and Supplier 6. In the end Supplier 2 and Supplier 3 declined the opportunity to provide information and the assessment was based on comparing four suppliers’ offerings.

The suppliers generally ‘self-assessed’ their products as having a high degree of compliance with the functionality list. For example, three of the four companies assessed their submission as complying with more than 90 per cent of the ‘essential’ requirements. However, suppliers own assessments were frequently undermined by their summary of functionality or their product development proposals, making it at times difficult to distinguish existing tangible product functionality from supplier aspirations. We attempted to ‘revise’ supplier assessments of the extent of product compliance with Wirralhomes functionality requirements in the light of each company’s response to our specific questions. Once this had been achieved we found the ‘revised’ scores brought the ‘new company’ scores into closer alignment with Supplier 5’s self-assessed scoring. Supplier 4’s alignment with the shopping list was most changed by this process; however, in certain respects it was difficult to re-assess the Supplier 6 submission.

Nevertheless, many of the key ‘shopping list’ criteria relating to CBL marketing, shortlisting and offer resulting would appear to be available in the market place,
suggesting that with some refinement the ‘shopping list’ could form a realistic basis for a more formal procurement specification.

Despite being provided with a spreadsheet with consistent cost estimation questions, a number of the suppliers failed to provide all the detail requested, making consistent comparisons difficult. We made allowance for this by trying to standardise the basis for comparison and give a minimum and maximum estimate for each supplier’s offering to give ‘indicative’ budgetary figures. On this basis we found the lowest estimated price was in the region of £50,000 for a ‘no frills’ hosted lettings service from Supplier 4 and the upper estimates were approximately £180,000 for a Supplier 5 or Supplier 6-based system. Supplier 1 seemed to offer a ‘mid’ market price estimation. (See Chapter 7 for full details). We identify that further work is required in refining the functional specification and supplier cost assumptions and estimates before firm procurement budgets should be set.

At this stage of the Review it was not the intention to undertake an individual assessment of the suitability of a specific supplier to provide Wirralhomes with improved ICT; the purpose of the Market Assessment is to assist Wirralhomes in understanding the functionality available, to assist in ‘indicative’ budget setting and to help underpin a subsequent formal tendering exercise.

Bringing together the ‘learnings’ from the Market Assessment exercise, other important factors having a bearing on each upgrade option, the report provides a summary evaluation. From that analysis the options which seem to offer the most cost effective and best match between Wirralhomes and its partners’ functional requirements, are:

(i). Adopting a hybrid approach using WPH’s Supplier 5 application and a third party for applications and CBL customer and RSL partner self-service (although this has not been costed at this stage)

(ii). Implementing a new ‘niche’ housing applications and CBL web-based system with customer self-service hosted by Wirral MBC

(iii). Implementing a new ‘niche’ housing application and CBL web-based system hosted by a third party.

Review Recommendations

The following recommendations are addressed to Wirral MBC and/or partner RSLs:

(a). Consideration should be given to re-integrating homeless households within the Wirralhomes scheme which would require resources for case management of homeless households

(b). Expand the scope of the Wirralhomes scheme to include accredited private landlords to be offered an advertising service at no cost (providing that consequential marginal costs for the Council are minimal);

(c). Consider widening bid eligibility to permit people who are not eligible for a Part VI allocation (e.g. some migrant workers) to bid for difficult to let properties offered on ‘first come first served’ basis;
(d). Consider commissioning a Wirral-wide Best Value review of sheltered accommodation;

(e). Progress further integration of the Disabled Person’s Housing Register (DPHR) into Wirralhomes;

(f). Review governance arrangements for Wirralhomes including consideration of:
   (i). more formalised arrangements for the conduct of partner agency meetings
   (ii). creating a Strategic Steering Group alongside a Practitioners’ Forum
   (iii). including customer representation within the governance structure;
   (iv). renaming the scheme to stress its autonomy from both Wirral Council and Wirral Partnership Homes (see Section 3.4);

(g). Wirralhomes and RSL partners should consider developing service standards with a customer focus group;

(h). Consider arranging an event to publicise Review outcomes (once agreed) and to launch a service standards development process;

(i). Review the current Housing Register application form and associated data capture and processing arrangements (see section 3.2 Registration and Re-registration);

(j). In view of the level of partner support for moving away from advertising in the Wirral Globe to exclusive reliance on a direct marketing approach, explore this model bearing in mind:
   (i). the need for compliance with Audit Commission KLOE 7 (allocations and lettings);
   (ii). the possibility that additional expenditure on improved publicity for limited circulation might be required and could offset some of the savings potentially arising from abolition of paid-for press advertising ;

(k). Ensure that data sharing of personal information is conducted within the Data Protection Act and organisational confidential policies, it is recommended that Wirralhomes establishes an information sharing protocol with RSL partners to underpin all areas of its activity;

(l). Recognise that if Wirralhomes adopts more sophisticated service standards it will necessitate improvements in the information given on service outcomes (See section 3.5 - Service Outcomes for Wirralhomes Users and Customer Feedback);

(m). In developing the cost sharing basis for the Wirralhomes scheme in the light of this review, it is suggested that the basis of cost sharing should:
(i). be transparent in relation to the costs (including internal Council support recharges) for statutory housing allocations scheme functions and CBL business processes;

(ii). be fair in relation to the Council covering statutory housing allocation scheme costs; (see Section 5.2 – ‘cost-sharing’) 

(iii). recognise the financial contributions made through system development investment (i.e. over and above contributions to annual running costs);

(iv). continue with the adopted ‘proportionality’ approach, and dispense with the previous system of fixed stockholding-based charges which meant that increases in service provision costs were met entirely by Wirral Council rather than being shared proportionately between partner agencies;

(v). examine the practicality of a fixed base annual ‘Wirralhomes’ membership fee and variable ‘voids transactions costs’ (along the lines of the St Helens scheme);

(n). To form the basis for sustainable cost-sharing, Wirralhomes partners should explore the utility of a model where overall scheme costs are split to reflect the distinction between activities associated with register maintenance and those which are ‘lettings-related activities’. In our view this is preferable to alternative approaches adopted by some CBL partnerships involving post-transfer LAs – e.g. where costs are shared on a 50/50 basis between local authority and the main stock transfer RSL, or where the Council’s share of costs is fixed with reference to the proportion of lettings involving statutory homeless cases.

(o). The partners need to agree liability for the system development costs which will be incurred as a result of overhauling the Wirralhomes IT infrastructure and software. This should incorporate a mechanism to ensure that all partner organisations contribute to these costs on an equitable basis (see Tables 8.2 and 8.3 and accompanying text).

(p). For the longer term, consideration should be given to adopting a service model and associated costing regime based on a tariff of services where:

(i). ‘additional service’ options are offered for individual RSLs to ‘buy into’;

(ii). RSL partners agree the services offered and the associated charges.

(q). Develop activity based costing analysis to inform the business case for ICT investment focusing especially on the inefficiencies of the Excel based shortlists and the costs generated by the absence of customer self-service

(r). In developing and securing approval for the business case for Wirralhomes procuring additional ICT functionality the following should be valued:

(i). Current transaction costs of existing ways of working based especially on the inefficiencies of the Excel based shortlists and the costs generated by the absence of customer self-service;
(ii). WPH’s current true cost contribution to Wirralhomes operations including its full ICT support costs

(iii). Specific interface requirements within the procurement, including source property data, void editions data, shortlists and shortlist/offer results.

(s). Develop and secure approval for a Project Mandate to outline an agreed procurement scope and strategy. This to include:

(i). The scope of the procurement and whether it is restricted to the options that emerged from the ‘market informed’ evaluation in this report (i.e. to either adopt a hybrid procurement approach and supplement WPH’s Supplier 5 Instance with ‘niche’ third party functionality or to procure full ‘niche’ functionality as either a hosted or non-hosted application.)

(ii). Whether the option of considering procurement via the Northern Housing Consortium CBL partnering option with Supplier 1 would accord with the Council’s procurement standing orders and provide an appropriate procurement mechanism (See Section 7.2 on Supplier 1).

(iii). Whether to adopt an ‘open’ or ‘closed’ OJEU procurement approach;

(iv). Whether to use a traditional Invitation to Tender approach or whether to utilise an ‘Invitation to Negotiate’ approach.

(v). The procurement timetable and evaluation framework.

(t). Convert the current Wirralhomes functional ‘shopping list’ into a full specification and prepare procurement documentation. This to include:

(i). Drafting and issuing a Pre-Qualification Questionnaire.

(ii). Reviewing those items on the current functional list which current market offerings seem unable to met;

(iii). Refining the detail on some items of functionality and reviewing whether items are ‘essential’ or ‘desirable’;

(iv). Providing a clear statement of required interfaces;

(v). Estimating transactions metrics across possible customer self-service channels;

(vi). Bulking up the functional requirements in relation to job role security, appropriate segregation of duties, audit log functionality and secure data hosting and transfer requirements;

(vii). Securing sign-off from appropriate decision fora for the procurement documentation (i.e. the Wirralhomes Steering Group and appropriate Council approvals).
1. Introduction

1.1 Review Background, Origins and Scope

Wirralhomes is a choice-based lettings (CBL) partnership scheme involving Wirral Council and the twelve most active RSLs in the borough\(^1\) with a joint stock of some 20,000 properties. Wirralhomes is operated by Wirral Council on behalf of all partners under the guidance of a Steering Group comprising all the partners. Initially established in 2003, Wirralhomes was one of the first CBL systems operating in England.

There has been concern within the partnership that the service no longer offers value for money and that it has not kept pace with developments of CBL and the expectations of Central Government, the Housing Corporation, the Audit Commission and customers. Wirral Council therefore commissioned the authors to review of the Wirralhomes system.

The Review was triggered largely by the Council’s initiative in 2006 to reform the funding of the system. This reflected the fact that RSL contributions to the scheme cost were fixed in cash terms in 2003. Taking forward the framework already in place for Common Housing Register (CHR) funding, cost shares were defined in terms of a levy pro-rata to housing stock. After stock transfer, whilst scheme costs gradually increased year on year, RSL stock gradually contracted due to RTB sales by transfer landlords. The result was a sharply rising share of the costs falling to the Council. Whilst the share for 2005/06 was 19 per cent, a slight reduction in HA contributions combined with an overall increase in scheme costs in 2006/07 led to the Council share rising to 28 per cent. This trend was clearly unsustainable.

Impetus for the Review was compounded by WPH concerns about the length of time taken to let some properties and the association’s believes that this may be partly attributable to defects of the Wirralhomes system. A substantial proportion of applicants highly ranked on lettings shortlists are found to be inappropriately matched and need to be filtered out. Also, tenancy offers are refused in large numbers. Wirralhomes staff question whether this latter problem might reflect applicant perceptions of the WPH lettings standard. Another problem in the WPH domain is that some properties advertised for letting turn out to be unready for occupation. There may be issues here around the guidelines on the condition of properties submitted for advertising.

The Review was tasked with looking at two main areas: the ICT infrastructure which underpins the system and the way that overall service costs are shared between partner agencies. The main aims of the Review were, therefore, twofold. Firstly, to identify a software solution which will provide much greater functionality whilst, at the same

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\(^1\) The research brief specified the scheme as involving 12 RSL partners with these listed as Arena HA, Beechwood & Ballantyne Community HA, CDS Housing, Cosmopolitan HA, Hornby HA, Leasowe Community Homes, Liverpool HT (Rodney housing division), Maritime HA (Regenda), Riverside Housing, Rodney Housing, Venture HA, Wirral Methodist HA and Wirral Partnership Homes.
time, economising on staffing inputs which are currently quite substantial. And, secondly, to propose a cost-sharing rationale which is both fair and sustainable. A key factor here is that, because Wirral Council has transferred its housing stock, it is not tenable to divide CBL costs pro rata to stock or lettings as is often the case in multi-landlord schemes led by LAs which retain a landlord function.

Specifically, the project was tasked with investigating:

- How other comparable local authorities and partner RSLs organise joint CBL services;
- The level of service that modern CBL systems offer their customers;
- The value for money the Wirralhomes scheme offers partner RSLs and the Council;
- The financial contribution of other post-transfer local authorities in similar contexts;
- How the Wirralhomes scheme could provide a more effective service to vulnerable customers and diverse groups;
- The regional CBL agenda
- The housing systems currently used by Wirralhomes partner RSLs and the ability of any potential new ICT system/s to integrate with the RSL systems.

The Council’s overall vision is for investment in ICT to generate the scope for significant savings in staff time. Wirral Council believes that partner HAs should have the opportunity to choose whether to make use of such savings through lower revenue contributions or through re-directing staff resources into other activities – e.g. more help for vulnerable applicants, more promotion of low demand vacancies.

1.2 National Context for the Review

The research arises from the decision on part of the Wirralhomes consortium to assess the scope for upgrading the current CBL system, to examine the potential for achieving better value for money, and to re-consider the way that the costs of the system are distributed across the partner agencies.

A number of factors shape the context for the research. Firstly, national housing policy considerations as these relate to local authorities. Soon after giving its initial backing to the CBL concept in the 2000 Housing Green Paper, Central Government set a target for all local authorities to switch to CBL by 2010. Since 2005, Government has placed increased emphasis on encouraging local authorities to develop sub-regional CBL partnerships and to encompass private landlord lets within CBL frameworks.
In early 2007 CLG published a consultation draft of guidance on CBL. This aims to reconcile the legislative provisions on housing allocation under the Housing Act 1996 with the policy steer in favour of the CBL model. Importantly, legislation and guidance on housing allocations has placed a high priority on avoiding unlawful discrimination which 1980s research on this area had shown to be widespread.

Secondly, housing associations are encouraged by the Housing Corporation, as regulator, to ‘seek to offer a choice of home, whilst giving preference to those in priority need’. The Corporation has published a good practice note setting out ‘ways that housing associations can respond to choice-based lettings’.

The Audit Commission’s criteria for ‘excellent’ provision of lettings services form another crucial element of the national policy context for this study. The Commission, for example, expects an ‘excellent’ social landlord to:

- have a clear policy in place aimed at maximising choice for applicants in accordance with the allocation policy such as a choice-based letting scheme.
- have staff that all demonstrate user focus in their work, who treat people with respect at all times when assisting service users through the allocation and lettings service.
- collect accurate information on costs and services and use it to decide priorities and to strategically manage resources in the context of a formal procurement strategy.
- be able to demonstrate significant cost savings and/or quality improvements through partnerships and has investigated partnerships with other organisations wishing to procure similar services (Collective Procurement) such as other housing associations/ councils/ ALMOs.
- have used procurement to achieve significant savings without loss of quality, e.g. can demonstrate achievements in delivering programmes and projects on time, to target and to service user’s satisfaction, in terms of both cost and quality.

The Housing Corporation’s guidance stresses that an association considering a switch to CBL should develop a business case for such a move. It does not, however, address

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5 Housing Corporation (2005) Choice Based Lettings; Good Practice Note; London: Housing Corporation

the question of how the set-up and ongoing costs of multi-landlord schemes should be shared by the partner organisations. As found by earlier research, this has proved a major bone of contention between LAs and HAs in some areas\(^7\). Dissatisfaction about cost-share contributions has, on occasion, resulted in association withdrawal from LA-led multi-landlord CBL schemes.

Thirdly, with the national rollout of CBL now having been ongoing for a number of years, a growing range of ICT options has been developed to operationalise the choice concept. This means that landlords in the original CBL vanguard (e.g. those in the Wirralhomes consortium) are liable to be working with systems which are no longer ‘state of the art’ in terms of functionality and, possibly, cost.

Finally, national research led by Heriot-Watt University has identified both strengths and weaknesses in CBL implementation by social landlords. In particular, the findings highlight the challenge posed by the imperative to ensure that CBL is genuinely transparent to housing applicants and is not detrimental to ‘potentially disadvantaged’ households (e.g. people with limited literacy, learning difficulties or visual impairment)\(^8\).

### 1.3 Review Methodology

The project involved a number of distinct elements. These were as follows:

- **Interviews with key staff of Wirral Council and Wirralhomes partner RSLs** – these were to develop an understanding of system operation and to gauge views on its strengths and weaknesses

- **Contacts with other Merseyside/Cheshire organisations who might potentially be involved in the Wirralhomes partnership** – i.e. Wirral RSLs not currently involved in the partnership and a neighbouring local authority without existing plans to introduce CBL

- **Development of a system functionality ‘shopping list’** – this was achieved partly through staff interviews and partly through discussion facilitated via an all-day workshop session convened by the researchers and involving all partner agencies

- **E-mail survey of post-transfer local authority areas with CBL partnerships in operation**

- **In-depth interviews with four CBL scheme lead organisations operating in post-transfer local authority areas**

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• Analysis of CORE lettings data for Wirral and comparable local authorities to examine the relationship between choice-based lettings and housing management performance

• A review of the ICT marketplace to gauge options for upgrading Wirralhomes software

1.4 Report Structure

This report collates the findings from all the fieldwork elements listed above. First, in Chapter 2, we briefly summarise the origins and existing operational arrangements of the Wirralhomes system. This draws mainly on the research brief, the staff interviews and documents kindly provided by Wirral Council. Next, drawing again on interviews but also the workshop session, we set out partner agency views on the existing system.

In Chapter 4 we report the findings of CORE analysis on relationships between CBL and housing management performance in terms of speed of reletting empty properties. Drawing on our survey of CBL partnerships in post-transfer local authorities, Chapter 5 discusses what might be learned from elsewhere in relation to governance, cost-sharing and ICT issues. Chapter 6 details ICT system functionality requirements as discussed in interviews and at the workshop session. This leads to Chapter 7 where we set out possible upgrade options based on material drawn from supplier submissions in response to our review of the ICT marketplace.

Finally, in Chapter 8, we attempt to draw together some conclusions from the Review.
2. Wirralhomes System: Origins and Operation

2.1 System Origins and Scope

Wirralhomes developed from an existing partnership, the Wirral Unified Housing Waiting List Agency, a common housing register (CHR) launched in 1996. The CHR was administered by Wirral Council on behalf of the partners for whom it operated a joint waiting list and common allocations policy. The CBL scheme started on a pilot basis in parts of the borough in September 2002 before going Wirral-wide with around six RSLs in October 2003; subsequently the scheme has grown to include 12 RSLs. These developments were mainly driven by officer commitment to improve customer services rather than being a process led by Elected Members.

Wirral Council completed the transfer of its housing stock to Wirral Partnership Homes (WPH) and Beechwood & Ballantyne Community HA (BBCHA) in early 2005 but continued to operate Wirralhomes on behalf of these and 10 other RSLs. Collectively, the partner RSLs accounted for more than 90 per cent of the 1,581 recorded RSL lettings in Wirral in 2006/07. Whilst a number of smaller associations remain outside the partnership, only two (Family HA (Birkenhead & Wirral) and Servite Houses) let more than 25 properties in 2006/07). However, if these two associations could be convinced of the benefits of joining the Wirralhomes system it could be particularly beneficial from the Council’s perspective because neither currently consistently offers vacancies to Council nominees.

There is an aspiration on the Council’s part to expand the Wirralhomes system to encompass private lettings, possibly linked with landlord accreditation. If offered as a free service, this could be an incentive for accreditation. It believed that RSL partners would be unconcerned about this – given that private rents are generally much higher than RSL rents and tenancies less secure, it seems unlikely that private lets would be seen as ‘competition’.

On the applicant side, the Wirralhomes scheme is limited in scope to the extent that it excludes statutory homeless households. As demonstrated by national research, this approach is unusual and arguably in conflict with Central Government draft guidance which stipulates that ‘people owed the main homelessness duty …should, wherever possible, be offered a choice of accommodation’ and that ‘to ensure that people owed the main homelessness duty are not disadvantaged under a choice based lettings system’.

When the Wirralhomes CBL scheme was set up homeless households were initially included and were ranked in the top priority category. However, there was immediate

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9 Servite joined Wirralhomes for a six month trial in 2006


concern that under this approach homeless households were perceived to be accessing a disproportionately large share of the most desirable lettings. Rather than adjusting the structure of the scheme accordingly, homeless households were simply excluded from it.

A number of key RSLs favour re-integrating homeless households within the Wirralhomes system as they consider the current separation of homeless allocation processes is distorting market behaviour with applicants believing the homelessness route will be the quickest way to a house. It is understood that this has, in any case, been recently recommended by a review of homelessness by Robson Rhodes.

Re-integrating the homeless group within the system could be achieved through vacancy labelling. If this was done for 50 per cent of family size vacancies it would resemble the current system where such vacancies are set aside for direct nominations. However, allowing homeless households to bid for properties would require a relatively staff intensive case management approach (with implications for homelessness staff).

2.2 Operational Arrangements and Governance

The Council has continued to operate the Wirralhomes system post-stock transfer. A steering group involving Wirral MBC and all the partner RSLs meets to discuss issues of common interest but has no formal decision-making powers. Although there is a management agreement defining the terms of the service not all of the RSLs have signed this. To a large extent, therefore, the partnership continues to be constituted on an informal basis.

Wirral Council’s role as scheme lead organisation could be seen as mainly reflecting historical factors and there has been no formal consideration on the possibility that this role could be adopted by another agency. However, whilst it is not unusual for transfer HAs to take on CBL scheme leadership (see Chapter 5) it is believed that RSLs other than WPH see current arrangements as preferable in that they avoid possible conflicts of interest.

2.3 Costs and Cost-sharing

Wirral Council estimates the costs of running the Wirralhomes system in 2007/08 as totalling just over £400,000 (see Table 2.1). This covers the maintenance of the Housing Register as well as the administration of the lettings process. As shown in Table 2.1, the majority of these costs involve staff salaries. The greater part of this sum is attributable to the four (3.8 FTE) Wirralhomes Advisor posts, together with the three (2.0 FTE) managerial posts assigned to these activities.

Importantly, the salary-related cost of the Wirralhomes services is understated by the figures in Table 2.1 because these do not include the costs attributable to the two ‘relocation officers’ who work as integral members of the Team. This is because associated salaries are funded from the Housing Market Renewal budget. Although this funding is secure until 2010, it was gained rather opportunistically and there is a need to ensure that all Wirralhomes partners are fully aware of the implications of its time-limited nature.
As discussed in more detail in Chapter 3, mainly thanks to the system’s unsophisticated ICT infrastructure, Wirralhomes procedures currently involve comparatively labour-intensive activities which raise questions about the achievement of value for money.

‘Support costs’ account for almost a fifth of total Wirralhomes costs as set out in Table 2.1 (£74,263 in 2007/08). As detailed in Table 2.2, four items account for three quarters of this sum although ‘miscellaneous expenses’ mainly comprises activities connected with the annual housing register renewals process.

Table 2.1 – Wirralhomes costs

<table>
<thead>
<tr>
<th>Costs</th>
<th>2007/08 budget estimates</th>
<th>2006/07 projected outturn</th>
<th>% of 2007/08 costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>173,260</td>
<td>222,033</td>
<td>61.3</td>
</tr>
<tr>
<td>Managers</td>
<td>76,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees sub-total</td>
<td>249,260</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>4,980</td>
<td>4,798</td>
<td>1.2</td>
</tr>
<tr>
<td>Supplies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>61,761</td>
<td>59,500</td>
<td>15.2</td>
</tr>
<tr>
<td>Stationery general</td>
<td>398</td>
<td>383</td>
<td>0.1</td>
</tr>
<tr>
<td>Printing</td>
<td>1,100</td>
<td>2,200</td>
<td>0.3</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>1,142</td>
<td>1,100</td>
<td>0.3</td>
</tr>
<tr>
<td>Miscellaneous expenses (mainly. housing register renewals)</td>
<td>12,062</td>
<td>11,621</td>
<td>3.0</td>
</tr>
<tr>
<td>Supplier 5 fees</td>
<td>1,928</td>
<td>1,857</td>
<td>0.5</td>
</tr>
<tr>
<td>IT consultancy</td>
<td>0</td>
<td>1,800</td>
<td>0.0</td>
</tr>
<tr>
<td>Mobile phones</td>
<td>42</td>
<td>40</td>
<td>0.0</td>
</tr>
<tr>
<td>Support</td>
<td>Legal, ICT, HR, payroll, PR etc support</td>
<td>74,263</td>
<td>72,100</td>
</tr>
<tr>
<td>Assessment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical screening</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>406,935</strong></td>
<td><strong>377,432</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Table 2.2 – Breakdown of central support charges to Wirralhomes in 2007/08

<table>
<thead>
<tr>
<th>Cost element</th>
<th>Cost to Wirralhomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental admin recharge</td>
<td>£23,300 31%</td>
</tr>
<tr>
<td>Corporate services charge</td>
<td>£14,000 19%</td>
</tr>
<tr>
<td>Legal, secretarial and accountancy charges</td>
<td>£12,800 17%</td>
</tr>
<tr>
<td>Accommodation charge</td>
<td>£8,900 12%</td>
</tr>
<tr>
<td>IT charges</td>
<td>£8,800 12%</td>
</tr>
<tr>
<td>HR, recruitment and payroll charge</td>
<td>£3,900 5%</td>
</tr>
<tr>
<td>Procurement service charge</td>
<td>£1,800 2%</td>
</tr>
<tr>
<td>Internal audit charge</td>
<td>£600 1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£74,100 100%</strong></td>
</tr>
</tbody>
</table>
In total, central support and supplies costs (net of advertising) are estimated as totalling some £90,000. Such costs can be seen as overheads partly proportional to staff numbers. In this respect it is relevant to note that Wirralhomes ‘overheads’ are equivalent to 36 per cent of total staff costs (including employer NI and pension contributions). Whilst there might be room to contest individual central recharges, this does not seem an unduly high figure when set against the research contract overhead rates normally charged by universities. Historically, such rates have typically been well in excess of 40 per cent. Under the recently-established ‘full economic costing’ model agreed with government such rates tend to run at approximately 100 per cent of salaries.

Property adverts in the Wirral Globe absorb a significant part of the overall Wirralhomes budget (see Table 2.1). Evidence from the customer survey suggests that this is how most applicants access information about available homes. However, the newspaper does not reach all parts of Wirral. And adverts are, in any case, circulated to many other local centres – e.g. HA offices, Council one-stop-shops, mosques and multi-cultural projects. On cost grounds there could be a case for moving away from press advertising altogether (see also Sections 3.3 and 3.5). Wirralhomes annual running costs are shared between the Council and partner RSLs. Under a Service Level Agreement established a year prior to the 2005 stock transfers to WPH and BBCHA, RSL charges are calculated according to a per dwelling levy which was fixed in cash terms for the duration of the SLA. Following the 2005 stock transfer, charges for the newly established transfer RSLs were set according to the existing formula.

Since 2005 RSL stock has diminished, hence reducing Council income receivable from RSLs to offset Wirralhomes costs. Thanks mainly to general inflation, however, scheme costs have risen. In ‘plugging the gap’ the Council saw its financial contribution to the scheme soar from £71,000 in 2005/06 to £107,000 in 2006/07 – an increase of over 50 per cent. These changes also pushed up the proportion of total annual running costs funded by the Council from 21 per cent to 28 per cent. This framework is clearly unsustainable.

2.4 Assistance for Disabled or Otherwise Vulnerable Applicants

A disabled persons housing register (DPHR) was established in Wirral in 2004. People on the register receive personal advice and assistance in accessing a suitable tenancy. The scheme was run by a voluntary agency until 2006 when the administration was taken on by the Council. However, while this is managed under Wirralhomes, DHPR work remains separate from the mainstream Wirralhomes activity both in organisational and budgetary terms. This is partly because DHPR costs are met by HAs through a separate stock-related levy and this is paid only by some associations and not others.

More fully integrating the two sets of activities would be beneficial in terms of efficiency and effectiveness by helping to ensure that staff help is provided to all in need of it, whether or not they are physically disabled.
The ‘Vulnerable Team’ consists of two officers who help more vulnerable applicants to access suitable housing. Part of this involves an identified group of 30-40 house seekers assessed as less able to express interest in suitable properties themselves. These include people in hospital, people with learning difficulties and very old people. VT officers monitor properties becoming available for letting and make proxy bids on behalf of service users.

WPH argues that there is a need for greater case management of all Urgent Need applicants. One aspect of this could be closer working with specialist agencies with caseloads including vulnerable people seeking housing. The Council accepts the need for greater scrutiny of UN applicants to identify those in need of such attention, but questions the need for a blanket approach here.

An aspect of the debate on facilitating the use of CBL for vulnerable individuals relates to BME groups. RSLs are under pressure from the Housing Corporation to demonstrate that they let an adequate proportion of lets to BME households. Overall proportion of BME lets and waiting list registrations is slightly lower than the census proportion but both are rising. The ongoing housing needs survey by Fordham shows that BME groups tend to be in higher socio-economic groups. This would help to account for BME households being underrepresented in social housing.

2.5 Chapter Summary

Wirral Council operates the joint CBL scheme as part of its strategic housing role and on behalf of 12 partner RSLs. Collectively, member RSLs account for more than 90 per cent of social landlord lets in the borough. The Council aspires to further expand the scope of the scheme to encompass remaining non-member RSLs and lets by accredited private landlords.

On the applicant side, the scheme is limited to the extent that statutory homeless households are subject to rehousing through ‘direct lets’ and, hence, excluded from CBL. This is unusual and arguably in conflict with Central Government guidance.

Although a Service Level Agreement (SLA) was drawn up as a framework for the partnership in 2003/04, not all ‘member RSLs’ have signed up to this document. And, whilst there is a steering group which meets to discuss matters of common interest, this is not formally constituted and lacks decision-making powers. To a large extent, therefore, the partnership is currently run on an informal basis.

The Wirralhomes budget amounts to around £400,000 in 2007/08, with most of the costs being salary related. Adoption of a more sophisticated ICT system could be expected to help economise on staff costs. However, if better technology produces a system more efficient in terms of staff ‘processing tasks’ there could be a case for devoting some of the resulting savings to the provision of more intensive assistance to vulnerable applicants (and/or case management of homeless households if this group was to be brought within the system).

There is also a medium term challenge posed by the fact that the funding for two staff members is due to expire in 2010, implying a need for partner agencies to increase, rather than reduce, their salary-cost contributions.
Other than salary-related and central support costs the only major budget item is press advertising which is projected to absorb around 15 per cent of total scheme costs in 2007/08. Given the range of channels through which vacancy adverts can be publicised, some partner agencies question whether press advertising is, in fact, essential.
3. Wirralhomes Strengths & Weaknesses: Partner Agency Perspectives

3.1 Research Approach

This chapter draws mainly on interviews with Wirralhomes partner RSLs and views expressed by participants in the Wallasey Town Hall workshop session run by the research team on 31 October 2007. Each partner RSL was interviewed face-to-face or contacted by telephone. Some partners with few lettings in the Wirral proved difficult to engage as they did not respond to requests for a telephone interview despite repeated attempts via phone or email. Consequently it was not possible to fully interview the suggested contacts at CDS, Cosmopolitan and Hornby. However, given that the workshop session was very well attended with these organisations represented it is believed that all the housing association partners have had the opportunity to input into the Review process and to shape its findings.

Linked with the fieldwork described above we made contact with the largest two RSLs operating in the Wirral but not currently members of the partnership. The purpose was to sound out these RSLs (Family HA (Birkenhead & Wirral) and Servite Houses) on their attitude towards joining the partnership and their recent experience of letting properties in the locality. Jointly, the two associations own more than 700 properties in the borough, though virtually all of Servite’s homes are sheltered dwellings.

In common with other local sheltered housing providers, Servite faces significant demand problems for some of its schemes. And, whilst FHA considers all its homes to be lettable, some are located in less popular areas where there are demand issues. In their responses, both these RSLs expressed interest in working with Wirralhomes, at least on a trial basis.

3.2 Operational Issues

Division of Responsibilities Between Wirralhomes and RSLs

The partner RSLs are very diverse in terms of their operational focus. A number operate in CBL schemes elsewhere in the North West, with Arena, Maritime and Riverside having the widest geographic remit. In addition to the Wirralhomes CBL scheme, these partners have experience of schemes run by Chester, Liverpool, Sefton, St Helens, Warrington, Wigan and schemes being developed such as Halton (Runcorn and Widnes) and Knowsley’s sub-regional scheme. The other partners which are not wholly Wirral-based have experience of some of these schemes, with participation in Liverpool’s Property Pool the most common.

From this experience the RSL partners are able to compare and contrast the cost and quality of service Wirralhomes offers with neighbouring schemes. This experience is drawn on throughout this Report.

As might be expected, given their diverse forms and geographical remits, RSLs also held diverse views on whether a single service delivery model can be expected to meet the needs of all partner landlords. At one extreme one partner, operating across
the North West, favours Wirralhomes providing a ‘total service’ where all the prioritisation and verification (including taking up references of those on the lettings shortlist) is undertaken by Wirralhomes. Under this model one household would be put forward for a void, with the household having their ability to place further ‘bids’ suspended while the RSL conducts the viewing and results the offer. This partner would prefer to delegate to Wirralhomes all allocations-related administrative work, thereby providing a ‘comprehensive service’. This would include adopting wholesale, the allocations and lettings policy of the CBL service provider. This approach is modelled on existing relationships with CBL schemes elsewhere in the North West which have enabled the landlord to downsize its lettings administration functions relating to these areas.

At the other end of the spectrum some partners stipulated a continuing wish to retain control over the lettings process by subjecting ‘shortlisted’ households to their own pre-allocations process. This included, for example, completing an application form, risk assessment for sheltered housing, taking up references and verification checks.

Another partner argued that RSLs could undertake more of the property related functions of CBL including advertising and rely on the Council to provide the Common Housing Register and bidding infrastructure for the RSL to then shortlist.

An additional aspect to consider here is the consolidation of North West RSLs into Group Structures and the adoption of shared service centre models, meaning that some RSLs retain local staff in the Wirral to administer the void re-servicing and allocations process while for other partners work on key aspects of the these processes is provided by a shared services centre located away from the Wirral (see Table 3.1).

Table 3.1 – Wirralhomes RSL Partners, Group membership and operational base for voids and lettings processes

<table>
<thead>
<tr>
<th>Partner</th>
<th>Group Parent</th>
<th>Main voids reserving and allocation process base</th>
<th>Wirral stock holding used for 07/08 budget setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arena Housing Association</td>
<td>Arena Housing Group</td>
<td>Liverpool, L3</td>
<td>315</td>
</tr>
<tr>
<td>Leasowe Community Housing</td>
<td>Arena Housing Group</td>
<td>Leasowe, Wirral</td>
<td>981</td>
</tr>
<tr>
<td>CDS</td>
<td>Plus Housing Group</td>
<td>Liverpool, L8</td>
<td>64</td>
</tr>
<tr>
<td>Hornby</td>
<td>Plus Housing Group</td>
<td>Liverpool, L15</td>
<td>117</td>
</tr>
<tr>
<td>Cosmopolitan HA</td>
<td>Cosmopolitan Hsg Group</td>
<td>Liverpool, L3</td>
<td>182</td>
</tr>
<tr>
<td>Maritime</td>
<td>Regenda</td>
<td>Garston L19 /Bolton BL6</td>
<td>1,297</td>
</tr>
<tr>
<td>Riverside (Bridge Division)</td>
<td>Riverside Housing Group</td>
<td>Birkenhead, Wirral</td>
<td>1,997</td>
</tr>
<tr>
<td>Venture</td>
<td>Liverpool, L6</td>
<td></td>
<td>475</td>
</tr>
<tr>
<td>BBCHA</td>
<td>Vicinity Housing Group</td>
<td>Prenton, Wirral</td>
<td>889</td>
</tr>
<tr>
<td>LHT Rodney housing division</td>
<td>Vicinity Housing Group</td>
<td>Liverpool, L1</td>
<td>376</td>
</tr>
<tr>
<td>Wirral Methodist</td>
<td>Wirralhomes</td>
<td>Birkenhead, Wirral</td>
<td>610</td>
</tr>
<tr>
<td>Wirral Partnership Homes</td>
<td>Wirralhomes</td>
<td>Birkenhead &amp; local offices, Wirral</td>
<td>12,980</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>20,283</td>
</tr>
</tbody>
</table>

In view of this diversity amongst partner organisations, consideration could be given to adopting a service model based on a tariff of services offered to the RSL partner, with differentials in the charging framework according to the level of service taken by
the RSL. For example Wirralhomes could offer a ‘reference and verification service’ for some partners but not others. Likewise some partners have a clear preference as to how to market their own voids and consideration could be given to offering a ‘tariff’ of advertising services. Assessing the feasibility of such a model would form a sound basis for evidencing VFM and for focusing Wirralhomes on enhancing its service improvement culture.

The potential to offer this degree of service flexibility has underpinned the ICT requirements exercise as part of this Review. However, to offer costed ‘tariff’ options would require a service costing exercise to be undertaken and could in any case prove complex to administer.

Suitability of Shortlisted Households

Many partners find Wirralhomes to be ‘responsive with accurate information being provided on time’, and some mentioned that the Wirralhomes scheme was better than Liverpool’s Property Pool with regard to the suitability of shortlisted applicants.

However, several interviewees commented that the CBL shortlist was not always relevant to the property advertised, citing examples of shortlists including households of inappropriate size or with ineligible dates of birth where schemes operate to age-based criteria. In some instances this can lead to abortive work by the RSL partner leading to concerns about the resulting wastage of staff time.

The need to filter out ‘inappropriate’ applicants (e.g. people of the wrong age) was mentioned by several RSL as one aspect of working with the Wirralhomes system which generates substantial staffing costs for the RSL partners. Arena reports having downsized its staffing in the expectation that the CBL system would reduce workload. In the event, that did not happen to the extent predicted. The result has been hard-pressed staff in area offices. WPH has also increased its lettings staff.

A number of partners considered that the range of ‘applicant preference’ data kept on record is insufficient and this contributes to tenancy offer refusals. Clearly, this could be relevant issue under a traditional allocations model where available-to-let properties are matched with housing applicants by housing staff making reference to applicant details held on file. In general, it would not be expected that a lack of ‘applicant preference’ details would be relevant under a system where applicants make their own bidding decisions. In practice, however, some bids may be made in ignorance of the locality of the property concerned or its surroundings. Therefore, being able to refer to an applicant’s recorded preferences might enable staff to highlight bidders likely to refuse before offers are made. Among the key matters raised by partners concerned about such issues were area preferences, and mobility-related questions, such as topographic factors (such as hill gradients). Providing more information on property adverts could also help to alleviate this.

Most of the partners were critical of the extent to which they may ‘waste time’ on shortlisted applicants with ‘out of date contact details’, and little interest in the property concerned. To validate and/or build on the hypotheses set out in the previous paragraph more research is needed on why applicants bid for properties in which they later claim to have little interest. Whilst this would be an understandable criticism of a ‘traditional’ allocations system is a less expected shortcoming under CBL where
applicants will appear on shortlists only where they have made a positive choice to bid for the advertised property.

Concerns about the quality of contact information was an issue not only for the Excel based shortlists but also applied to data held on Supplier 5, where it is difficult to identify an applicant’s most up-to-date contact details or their current tenure.

More than one RSL partner criticised One Stop Shop staff for accepting ‘inappropriate’ bids. These partners asserted that too many people with Urgent Need status bid ‘casually’ without any serious intent and simply to ensure that they retain their Urgent Need status beyond the normal six month threshold. This is perceived as contributing to tenancy offer refusals when such applicants are the highest-ranked eligible shortlisted applicants.

WPH stressed the need to reduce abortive bids and better manage customer expectations because there is a relationship between the number of unsuccessful bidders and the flow of queries and complaints (e.g. councillor and MP enquiries).

It should be noted that partners operating regionally acknowledged that speculative bidding is common in other CBL schemes – such as those operated in St Helens and Wigan.

In terms of improving contact information held the ICT functional requirements used for the market assessment exercise include requirements for bidders to verify contact details before bids are placed.

In terms of ‘policing’ speculative bidding, this is next to impossible with the current Excel based shortlists. Improved ICT capability by hosting all partner void editions and bids within one data structure will facilitate enhanced ICT reporting capability to inform bid policing.

**Applicant Verification and References**

At the ICT functional requirements workshop, and as part of the stakeholder interviews, debate on the level of service which Wirralhomes offers for ‘applicant verification and references checking’ featured prominently.

Most RSLs were critical that Wirralhomes does not undertake this function since this is standard for other CBL scheme lead organisations, with the St Helens scheme being held up as a good service model by some partners where verification and references are checked at the time the RSL receives the shortlist. These partners consider they have to expend staff time on vetting shortlisted applicants when they would prefer that Wirralhomes assist with or undertake this process.

However, as discussed elsewhere in this chapter, the diversity of Wirralhomes RSL partners means that not all would ideally want to ‘buy into’ Wirralhomes offering a ‘vetting’ service as some RSL will always want to verify applicants themselves.

From the common verification approaches employed by RSL partners it is clear that an improved ICT capability for Wirralhomes including the scanning of key documents could be used to provide a partial or full service to interested RSLs to cover:
• proof of identity;
• proof of residence;
• previous landlord references (tenancy conduct, arrears and ASB);
• character reference (where applicable)
• credit check;
• proof of income;
• proof of access/custody to children.

Support for improved verification services has been included in improving the ICT functional capability of Wirrahomes. This includes the ability of all partners to add notepad entries in relation to customer contacts. For WPH, which has no current plans to implement Document Image Processing (scanning), the upgrading of Wirralhomes ICT to include scanned verification documents would add value.

To ensure that data sharing of personal information is conducted within the Data Protection Act and organisational confidential policies, it is recommended that Wirralhomes establishes an information sharing protocol with RSL partners to underpin all areas of activity. This would translate the principles of data protection into the practical operations of the Wirralhomes partnership and detail the handling and sharing of sensitive information such as applicant special needs or behaviour risk assessments which will be relevant to partners when, for example, they are about to meet the applicant.

Registration and Re-registration

In Chapter 6 we argue that improving customer self-service opportunities for registration and re-registration processes would improve operational efficiency and customer access arrangements.

Suggested changes to the current registration form and associated data capture and processing arrangements, include:

• The addition of area preference questions;
• The addition of questions pertinent to resident mobility – e.g. ability to handle hill gradients;
• The inclusion of questions for screening Sex Offenders;
• The amendment of the question concerning ‘action for nuisance’ to also refer to anti social behaviour;
• The inclusion of questions to assist in moving towards a Housing Options based approach – whether the main and joint applicant are employed on a full or part-
time basis, their household income (banded & savings), and whether in receipt of state benefits;

- The inclusion of questions covering whether anyone on the application has any other register applications with Wirralhomes or in any other area.

3.3 Housing Market Conditions and CBL in the Wirral

General Needs Housing

The dynamics of the Housing Market in the Wirral and its implications for CBL operations was explored with partners. Although some saw the dynamics of the market in the Wirral as not dissimilar from other North West local authorities, others considered that the Wirral market is unusual in being highly ‘polarised’. They referred to pockets of highly sought after social housing typically in the more affluent Western areas of the Peninsula, while the eastern side of the Wirral and parts of Birkenhead (especially in the Housing Market Renewal Areas) experience low demand. Allied to this is the distribution of flats and houses in the available stock, as generally houses are in higher demand than flats. In addition, some landlords reported problems with specific blocks. For example WPH reported two high rise blocks, being used for sheltered and single persons housing, were experiencing high void levels due to the unpopularity of the schemes compounded – in the case of the single persons’ scheme – by anti-social behaviour.

Some partners (such as Riverside and WPH) perceived little difference in tenancy turnover since the introduction of CBL despite a key tenet of encouraging applicant ‘choice’ being to enhance tenancy duration and sustainability. However, other partners with focused estate-based improvement programmes such as BBCHA and Leasowe CH has noted reduced stock turnover figures, a decline in the number of difficult to let properties and faster relet times. For example, Leasowe CH reported that by 2007 low demand had disappeared, with void turnaround times averaging 2.3 weeks, and a huge reduction in turnover – down from 287 properties in 2000 to only 87 in 2006. This was attributed to CBL as well as to the transfer RSL investment programme. Maritime and Wirral Methodist HAs also reported a significant drop in void turnover levels. For a number of those with smaller stock holdings trends were more difficult to discern.

One partner stressed the large scale of general needs social housing provision on the Wirral alongside a large private rented sector. As perceived by this partner, the key market issue was one of housing quality rather than quantity, with the desirability of the location, property features and upkeep being key factors.

One partner with particular value for money concerns arising from excess void rates favoured widening the use of ‘Instant Homes’ – i.e. designating difficult to let property to be offered on a ‘first-come-first-served basis’. This partner was keen for flexibility from Wirralhomes in being able to market difficult to let properties to client groups ineligible for a Part VI application and therefore ineligible to join the Wirralhomes register – e.g. some migrant workers. From our perspective it would seem logical for Wirralhomes to consider operating different rules for 'readily available' or known difficult to let properties.
The low turnover rate now achieved in some areas prompted concerns related to CBL. One partner mentioned diminishing opportunities for people wanting to move onto specific estates or within specific estates. Another offered the opinion that CBL is not living up to its expectations of a ‘choice based’ scheme as priority groups continue to get the ‘lion’s share’ of properties. However, since Wirralhomes figures show that 68 per cent of lettings go to non-urgent need cases this view does not appear to be consistent with the statistical evidence. An associated allegation was that certain ‘problem households’ are regularly by-passed by RSL partners and that CBL is not meeting the needs of some of the more ‘challenging’ residents. Another partner reported evidence that some households living in flats are relinquishing tenancies to go into the private rented sector as a precursor to applying as homeless in the quest for securing a social sector house.

There were two distinct areas of concern for partners in relation to marketing empty properties:

- Long void edition lead times (some partners have tried some lateral thinking to work around this and used ‘block adverts’)

- Concern about the advertising costs of the Wirral Globe and the selectiveness of its ‘free’ circulation (See the VFM section below)

**Void Edition Lead Times – Speeding-up the Marketing Cycle**

It is understood that voids can be registered on Property Pool within a maximum of 3 days delay and notifications are posted to applicants who have requested this service and under this scheme each landlord is obligated to their own vulnerable tenants to inform them bidding opportunities.

RSL partners considered that the Wirralhomes scheme has the longest lead time of all the CBL partnerships as it can take up to two weeks before a property is advertised in the Wirral Globe and on the Wirralhomes internet site. The way that adverts are prepared involves the usage of Wirral Council’s graphics department rather than pre-defined templates which can be content loaded by any partner and generated directly from the Wirralhomes own ICT system. Partners would like to see the process streamlined and supported by ICT which they can all access.

**Sheltered Housing**

Partners with sheltered stock were concerned about perceived over-provision of certain forms of sheltered accommodation. Some associations recognise the need for radical action to address sheltered housing oversupply and are already reviewing their provision with a view to re-designating ‘enclosed’ schemes.

Suggestions for addressing the demand problem for sheltered housing included adopting a different CBL service model to meet the specific needs of elderly people by improving the support offered during the potentially traumatic experience of leaving their established home.
Given the number of partners with concerns about sheltered housing there would seem to be a case for commissioning a full Wirral-wide Best Value review of sheltered accommodation.

3.4 Wirralhomes Governance

Wirralhomes Steering Group

This issue evoked mixed views. Whilst some partners were generally happy with the current governance arrangements and the structure of the Housing Access Panel and Steering Group, others held strong views about perceived deficiencies with the current arrangements and made suggestions for improvements.

On the positive side, some partners saw existing arrangements as effective and believed that the Steering Group provides a good forum for sharing views on operational and strategic matters. This seemed to apply particularly to operationally oriented managers with large stockholdings in the Wirral.

Among partners operating regionally or with smaller stockholdings and few lettings there were generally greater concerns about the time commitment and benefit of attending Steering Group meetings. Some partners acknowledged that a key motivation in engaging with the Wirralhomes governance arrangements is to maintain a local profile with a view to exploiting future development opportunities.

A number of partners operating exclusively within the Wirral or across the North West Region had suggestions for improvement.

Some of the key concerns raised about the Steering Group included:

- The group tends to cover a lot of operational detail and not always retain a strategic focus and direction of travel;

- As a consequence of the operational detail the meetings tend to be ‘too long’;

- Papers for the meeting are not always circulated in advance, with performance data sometimes being tabled at the meeting which does not give the RSL partner sufficient time to investigate or address any performance issues ahead of the meeting;

- The performance data currently presented was seen as needing refinement (such as cross-reference with CORE, better trend analysis and customer segmentation analysis) and it was suggested that there should be more value added analysis of the performance of the CBL service on the partner’s own relet times.

- Some decisions made by the Steering Group have remained unimplemented and there are no action logs to keep these decisions and actions visible; this can lead to repetitive discussions at subsequent meetings;

- The Group carries insufficient ‘clout’ within the Council’s hierarchy of decision making.

Proposals for improving Steering Group operation included:
• Creation of a strategic forum meeting quarterly with senior staff from larger RSL stock holding partners present (and possibly smaller stock holding partners having pro-rata’d positions);

• To create a separate operations-focused ‘practitioners group’;

• The terms of reference for the strategic forum should cover the allocations policy scheme, the CBL service model(s), service and performance standards, forward plan, and finances of Wirralhomes;

• The terms of reference for the Practitioners Group should cover key operational matters including procedures, advertising arrangements,

• Customer representation on the proposed Strategic Forum and Practitioners Group should be considered.

The Strategic Forum was proposed as being the key decision-making group, and that all RSL partners could retain their right to veto a policy recommendation that their Boards do not agree.

One partner highlighted the need to promote the strengths of the Wirralhomes system to improve its image among councillors. An event to publicise the outcomes of the Review could help in initiating this.

Formalising the Partnership with Clear Service Standards

One theme to emerge from the interviews with RSL stakeholders was the informality of the current working arrangements in comparison with CBL schemes in which the partners participate elsewhere. Although there is a Service Level Agreement which details respective roles and responsibilities of the parties this remains unsigned by many of the partners.

Several organisations highlighted the absence of specific service and performance standards in Schedule 2 of the current Service Level Agreement and cited other CBL schemes (e.g. St Helens) where there are clear service standards giving all the partners and customers of the service a framework within which to operate and to manage expectations.

The ‘Under One Roof’ scheme developed by St. Helens Council, Helena Housing and Arena Housing Association, Maritime Housing Association, Riverside Housing Association and YMCA has the following service standards under which the CBL team undertakes to:

• be prompt, polite, helpful and well informed.

• answer the phone within 5 rings.

• respond to e-mails within 4 working hours.

• respond to letters within 5 working days.
• treat customers in a fair and consistent manner, which will be sensitive to your situation and your need.

• deliver all services in line with our Equality and Diversity policy.

• keep any information on customers confidential in line with our Data Protection and Confidentiality Policy.

• provide an out-of-hours message service and aim to return calls by the next working day.

• see customers in their own homes if unable to visit a local office

• give customers refused membership of Under One Roof full reasons in writing and the right to appeal

• review Under One Roof membership annually

• welcome feedback about CBL services and give customers every opportunity to comment.

Other partners mentioned their Value for Money concerns and the current termination clauses would make them reluctant to sign the Management Agreement. Some called for a more explicit Service Level Agreement based approach to be considered.

It is known from the Housing Inspectorate’s Key Lines of Enquiry and its Inspection Reports that the Inspectorate attaches considerable importance to services having clear standards and that service recipients should be actively involved in service standards development. There would seem to be a significant opportunity arising from this Review for Wirralhomes to take the development of service standards to a new level, in that even neighbouring ‘good practice’ exemplars still lack significant areas of detail which are of key interest to applicants.

All this suggests that Wirralhomes and RSL partners should consider developing Service Standards with a customer focus group for:

• Registration and assessment (including for Disabled Persons);

• Re-registration;

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12 For example the Riverside Housing Group Inspection Report – recommended agreeing with residents standards for what constitutes housing need (24 Aug 2006, p 7) “Customers have not recently been consulted about their service access needs and preferences, or on their views on the housing needs criteria for the revised lettings policy”
• Advertising (how the scheme is advertised, how vulnerable residents are supported and whether ‘block/archetype’ adverts will be used [as BBCHA and others currently utilise])

• Bidding, eligibility and shortlisting;

• Verification;

• Landlords’ offer and viewing process – how the landlord will contact the applicant when shortlisted (including how many contact attempts and by what means), how viewings are conducted (whether accompanied or not), what happens if they refuse the offer (what analysis is done of refusal reason for partners to improve the CBL system)

• Customer feedback;

• Tenancy exit interviews.

Some of these items would need joint work across RSL partners if they are to be agreed as ‘common standards’ and it may be that the partners can only agree a ‘lowest common denominator’ on some items such as contact attempts for shortlisted households and how viewings are conducted. Despite this, all partners are likely to benefit from this process as it will clarify the nature of the ‘service’ and provide evidence beneficial for RSLs subject to future housing inspections.

Publicity in developing these standards could then be used to explain to customers why the standards exist and to improve the Wirralhomes standing among Councillors. An event to publicise the outcomes of the Review and to launch a service standards development process could help here and there would be benefits in this commencing with an ICT enhancements programme.

Identity and Branding

An issue related to governance and which came up in the course of the stakeholder interviews is the identity of the Wirralhomes partnership. The scheme name was seen as potentially problematic partly in that it can lead to confusion about the project’s relationship to Wirral Council and Wirral Partnership Homes. It would be preferable to operate under a name emphasizing the scheme’s status as a joint venture ‘owned’ by all the participating agencies. This might require adopting a name which entirely omits ‘Wirral’ – e.g. Merseyside Peninsula Homechoice. Alternatively, Wirral could be retained as a specific local identifier but given less prominence as in Homechoice Wirral. Existing stakeholders will, no doubt, be able to devise better alternatives. Rebranding to coincide with the introduction of new software and procedures could also have the advantage of highlighting these changes and the significant service improvements which will result.
3.5 Wirralhomes Costs, Value for Money and Cost-Sharing

Value for Money

Many RSL partners are proud of the pioneering nature of the original Wirral Unified Waiting List Agency which started in 1996 and the early introduction of CBL in 2002. They also highlight the dedication and commitment of staff in the Wirralhomes team with many emphasising their very strong working relationships with Wirralhomes staff.

For all RSL partners the costs of Wirralhomes and the Value for Money (VFM) of the service was of overriding concern and is a key driver for this Review. The protracted negotiations over the 2007/08 budget and charges, with extensive requests from partners to justify costs, only emphasizes the importance of this issue.

All partner RSLs acknowledge that Wirralhomes is constrained by its current ICT systems and that this inhibits efficient working practices, customer access arrangements and the achievement of value for money. In particular, Wirralhomes staff need to perform laborious workarounds utilising Microsoft Excel to support bidding and shortlisting processes for non-Wirral Partnership Homes void editions and this is undermining their ability to work effectively. Many partners perceive Wirralhomes staff as being busy and diligent but that the inefficiency of current operations is undermining their productivity and in need of urgent change.

Partners perceive they are not getting value for money because they consider that many of the Wirralhomes costs are attributable to inefficient manual data processing and ‘excessive’ recharges for services such as Central Support and Legal. Many are sceptical about the cost basis of central support recharges.

It has been suggested that the costs of the strategic enabling role retained by the Council were not adequately estimated in relation to the move from Unified Waiting List Agency to Wirralhomes, and at the point of transfer to WPH when the General Fund /Housing Revenue Account split was hardened.

As is discussed in detail in Chapter 5 some CBL partnerships draw clear costs distinctions between strategic council functions such as maintaining the housing register and providing a common bidding infrastructure from landlord lettings-related costs such as the advertising of void properties and the shortlisting of applicants. For Wirralhomes such a cost distinction could help the VFM discussions with partners.

WPH laid particular stress on the need to address VFM issues although the association was by no means alone in articulating such concerns. Arena questioned why it should pay the same contribution rate to Wirralhomes (where it has 315 units) as it does to Warrington where it has 1,200 units. It also questioned the absence of verification by Wirralhomes of shortlisted applicants, and reported that Sefton is looking to reduce Arena’s cost contribution in the light of fewer than anticipated vacancies. Other partners operating regionally stressed a view that the Wirralhomes service is expensive in comparison with other schemes with charges such as St Helens and Sefton.
WPH considers that it disproportionally contributes to Wirralhomes as it pays most towards the costs of inefficient working practices (such as the costs of the Excel-based non-WPH void editions and shortlisting processes) as well as having to cover, through three ‘extra staff posts’, alleged ‘inadequacies’ in the matching and verification process by Wirralhomes.

It could be argued that WPH is contributing towards to Wirralhomes operations at an additional ‘uncosted’ level in that not all the Supplier 5 Applications Support costs are recharged to the Council. Cited examples include Jacinta Ousey’s support for the Housing Register aspects of the allocations module and WPH training resources devoted to schooling One Stop Shop staff on how to process registrations. In view of this we recommend in Chapter 7 that the business case for ICT procurement needs to include an assessment of WPH’s current true cost contribution to Wirralhomes operations including its full ICT support costs.

*Integration of DPHR into Wirralhomes*

To facilitate more efficient service provision a number of partners favoured the further integration of the Disabled Person’s Housing Register (DPHR) into Wirralhomes. The current separate charge is considered too high by some partners and they are not participating in the DPHR scheme. At present Wirralhomes is using an Access database which originated from the Liverpool Access scheme for registering DPHR needs and this is separate to the Core Housing Register on Supplier 5.

The Housing Register/CBL ICT market assessment detailed in Chapters 6 and 7 included specific functionality to support the integration of the DPHR within the core ICT requirements of Wirralhomes.

*Advertising costs*

A number of interviewees expressed concern about the advertising costs of the Wirral Globe and the selectiveness of its free circulation. RSLs operating with Property Pool in Liverpool noted that this system does not use press advertisements and were generally concerned about the advert lead times with Wirralhomes and the costs of advertising.

Drawing on experience of other CBL schemes a number of partners saw potential in the idea of scrapping paid-for newspaper advertising. Adverts are currently placed weekly in the Wirral Globe. Many partners questioned the selectiveness of its free circulation, as this is linked to the more affluent areas of the Wirral. Most partners would probably support a model where advertising was limited to distribution of a ‘lets available’ page to community centres, voluntary agencies, libraries, RSL receptions and council offices, with a boosted circulation of mailed-out ads being sent to housebound individuals and other appropriate cases (e.g. people with addresses remote from known distribution points). Some partners mistakenly believed that the existing ad sheet circulated to community centres, and customer receptions areas is, in any case, more informative than the newspaper display.

WPH continues to consider the business case of funding their own property shop in Birkenhead, which they have considered could provide a service to other RSLs and
potentially private landlords. However, a number of RSL partners indicated this would not appeal because few of their potential customers would regularly visit Birkenhead. An alternative option favoured by many RSLs would be a mobile Wirralhomes property shop to promote lets in lower demand areas.

BBCHA and some other RSLs have developed some lateral thinking in relation to the current usage of Wirralhomes adverts in that if they have a similar ‘unadvertised’ void in the same block or archetype it will use the same shortlist to select tenants for more than one property.

The time-consuming nature of the existing system means that Wirralhomes staff have limited spare capacity to work pro-actively in marketing low demand properties. One practical impact of this is that proxy bids made by the Vulnerable Team are generally entered without directly consulting the applicants concerned. This contributes to the incidence of refused offers – e.g. attributed to ‘applicant being not ready to move’.

In view of the level of potential partner support for moving away from advertising in the Wirral Globe to a more direct marketing approach, it is recommended that Wirralhomes adopts this approach.

**Approach to Cost-sharing**

The key themes to emerge from partners in relation to the cost sharing approach are that the model should:

- Be transparent in relation to the costs (including central service recharges) for statutory housing allocations scheme functions and CBL business processes;
- Be fairer in relation to the Council covering statutory housing allocation scheme costs;
- Continue to adopt a proportionality approach, and dispense with the previous stockholding-based shares which meant that increases in service provision costs were met entirely by Wirral Council rather than being shared proportionately between partner agencies;
- Consider moving towards a fixed base ‘Wirralhomes’ membership cost and variable ‘voids transactions costs’ (along the lines of the St Helens scheme);
- Offer service options for the RSLs to ‘buy into’;
- Involve the RSL partners in agreeing the services offered and the associated charges.

It is recommended that these are borne in mind in developing the cost sharing basis for the Wirralhomes scheme in the light of this Review.

**Service Outcomes for Wirralhomes Users and Customer Feedback**

Some partners mentioned that the published ‘lettings results’ data is not widely understood by applicants. Similarly, ward councillors continue to enquire about likely waiting times without reference to the lettings results listings. Wirralhomes has
worked on a new leaflet which, it is hoped, will begin to address this issue by providing an indication of likely waiting times for different types of properties in different areas.

Other partners are keen to see more analytical information to inform customers of their realistic prospects in bidding for scarce properties as part of managing their expectations. They also want to see analyses of refusal reasons as this would help in determining if voids reletting standards might need review or in identifying aspects of the Wirralhomes service in need of improvement.

There is currently likely to be a difference of outcome for Wirralhomes service users according to which RSL partner they bid for. This is because the partners operate different approaches to trying to contact the bid households. WPH benefits from having the void edition on Supplier 5 and fully utilise Supplier 5 for the offer process. The other partners receive their ‘bid lists’ as Excel spreadsheets and adopt a range of approaches to contacting the bidders. Some work sequentially through the list provided by Wirralhomes and will utilise their Virtual Private Network connection to Supplier 5 to check the details of applicants, however a number are only relying on the information supplied on the spreadsheet which in terms of contact details can be partial or ‘out of date’. Some partners will contact several of the referred bidders in parallel. Across the partners there are no agreed standards as to how many contact attempts should be made with the bidder, by which mediums (i.e. phone and letters) or over what duration before a shortlisted household is by-passed.

Likewise the Audit Commission has detected differences between landlords and within landlord groups, including some operating in the Wirral, in the extent to which accompanied viewings are offered to prospective tenants.

If Wirralhomes adopts more sophisticated service standards it will necessitate improvements in the information given on service outcomes in order to provide appropriate and useful information to service users, such as how quickly will Wirralhomes reply to letters, faxes or emails, or how long will it take for registrations to be completed (with/without medical need) etc.

3.6 Improving the ICT Capability of Wirralhomes

*Potential efficiency benefits from enhanced ICT*

In Chapter 6 we describe the process by which the ICT functional requirements for Wirralhomes as part of this Review were developed. In this part of the report we highlight key shortcomings from a VFM perspective.

ICT improvements featured prominently in all RSL partner improvement suggestions. Lack of ICT functionality leading to manual work (Excel shortlist and lettings spreadsheets) and ‘swamping’ some aspects of Wirralhomes work were widely perceived as a key issues.

Top priority for many partners was replacing the Excel based shortlists with shortlists that can be run by RSL partners based on a shared ICT system which holds all partner voids and applicant bids.
Handling shortlists is very time-consuming because of the need to filter out, manually, applicants whose needs are inconsistent with the characteristics of the properties to which they are matched. It is essential that the upgraded system sifts applicants in relation to the characteristics of advertised properties to minimise this. Also, it is believed that applicants need to be better advised by One Stop Shop staff who receive and log ‘inappropriate’ expressions of interest. In addition, the current arrangements require Wirralhomes staff to chase offer results from RSL partners and this can be time consuming. An ICT capability which can trigger workflows to chase outstanding results would improve efficiency.

Clearly customer self-service for housing registration and re-registration and bid processing would reap VFM improvements (as is discussed in Chapter 6).

Although Wirralhomes staff recognise that added value could be provided by working in a more pro-active way, current arrangements are so time consuming to administer that the scope for this is highly constrained. Existing ways of working also result in the risk to the service through over-reliance on the operational knowledge of key staff members, such as Diana Dennis.

Access arrangements for non-WPH partner RSLs into Supplier 5

Quite simply the current ICT access arrangements for non-WPH partner RSLs to Supplier 5 via a Virtual Private Network connection do not represent good VFM.

Despite considerable time being spent on deploying and supporting secure token access to the Wirral Borough Network for RSL partners, a number acknowledged that these connections are not being utilised – this included Arena, Cosmopolitan, CDS, Leasowe, Maritime (Regenda), and Rodney. For these RSLs the specifics of the Wirral current VPN based access arrangements are problematic as they are difficult to use and can present compatibility issues with RSLs’ own networks (e.g. requiring stand alone or internal network sessions to be ended before a VPN session is initiated). From a service outcome perspective RSLs that are not accessing Supplier 5 are relying only on the partial information supplied in their shortlist spreadsheets.

Even those partners currently accessing Supplier 5 via the VPN reported similar compatibility and usage issues, and this includes staff operating the system who had previously worked for the Council. As discussed in Chapters 6 and 7 an ICT system delivered as a web application would solve many of the VPN related service issues.

Updating the CBL system

Although, as already noted, one partner favours buying a ‘total service’ from Wirralhomes, most partners are keen to have better access and the opportunity to make more effective usage of Wirralhomes ICT themselves.

Currently only certain RSL partners can add notes and many only have view only access. The stakeholder interviews demonstrated that most Partners were open to reviewing the split in responsibilities between themselves and Wirralhomes in terms of RSLs:

- registering applicants onto system
• providing scanned copies of verification documents (proof of identity, immigration status and proof of residence)

• viewing applicant details and updating the system for certain changes of circumstances

• providing full initial stock extract to Wirralhomes with as many key property elements as required for lettings

• inputting void editions into the system (and necessary stock data if not already on system – e.g. new property)

• inputting expressions of interest (bids)

• undertaking shortlisting and posting shortlist results, including refusals, by-passed applicants and lettings.

Some partners are already undertaking these activities in CBL schemes run elsewhere or are doing verification photocopies of documents with certification for Housing Benefit in the Wirral.

These areas of functionality are covered in the ICT functional requirements considered in Chapter 6.

3.7 Chapter Summary

From interviews with stakeholders and discussions at the ICT Functional Requirements workshop on 31 October, it is clear that many partners are proud of the pioneering work on the Wirral Unified Waiting List Agency in the 1990s and the early adoption of CBL in 2003. RSL partners are also supportive of the dedication and commitment of Wirralhomes staff with many emphasising their effective and strong operational working relationships for over a decade.

The RSL partners are a diverse group with some working exclusively in the Wirral, others on Merseyside, while others work across the North West and beyond. The consolidation of organisations into Group Structures is also a key dynamic on their cultures and operational requirements. Some operate from local Wirral bases, others are based ‘across the water’ in Liverpool while others have key aspects of their void re-servicing and allocations processes operated from shared service centres remote from the Wirral. Arising from this diversity are differences in RSLs’ service requirements from Wirralhomes, and this could suggest consideration be given to Wirralhomes moving towards offering a tariff of service options to partners for services such as pooled advertising and improved verification and references checking.

While some partners consider that the suitability of shortlisted applicants is better from Wirralhomes than with respect to some other local CBL lead organisations, many partners are concerned about abortive work undertaken in contacting and verifying shortlisted households and for dealing with queries and complaints from ‘by-passed’ households. In view of this the Review considers some improvement
ideas for the registration and expressions of interest processes as well as to compiling of shortlists.

Some partners favour widening bidder eligibility and the use of ‘first-come-first-served’ approaches to allocations for ‘Instant Homes’ to relet their most difficult to let properties. There is clear support for streamlining advertising costs and lead times. It is also considered that the inappropriateness and apparent over-supply of some forms of sheltered housing warrant a Wirral-wide Best Value review to address the provision of appropriate supported housing services for elders.

Improving governance arrangements for the Wirralhomes Partnership was also seen as desirable among RSL partners. Moving towards a strategically focused steering group and an operationally focused practitioner’s forum had widespread support. Allied to this it is suggested that formalising the Partnership around a set of defined service standards developed with residents would provide a timely service improvement opportunity for all partners and could re-establish the Wirral’s credentials as a CBL pioneer.

Foremost amongst partner concerns was the value for money of the Wirralhomes service, with improvements to ICT for customer self-service and staff operations - especially in relation to shortlisting - featuring prominently in suggested solutions. Other key ideas for improving VFM included fully integrating the Disabled Persons Housing Register, reducing advertising costs and reviewing recharges between Wirral BC and Wirralhomes. Key themes to emerge from partners in relation to the cost sharing approach are also outlined in the main body of the report.
4. Choice-based Lettings and Re-letting Performance

4.1 Chapter Structure and Scope

The following analysis is based on housing association monitoring returns under the CORE system which records all HA lettings. To explore some of the issues raised by key stakeholders contacted in the research, we have accessed CORE data for 2006/07 and, for comparative purposes, 2001/02 – the year before the introduction of the Wirralhomes CBL system.

The first part of the chapter focuses on 2006/07 lettings activity in relation to the time taken to relet empty properties and the numbers of tenancy offers needed to achieve lettings. These matters are relevant to the issue of low demand for social housing and to the possible impact of the CBL system on housing management efficiency. Associations within Wirral are compared with each other on these two measures.

Secondly, we analyse reletting times and numbers of ‘wasted offers’ in Wirral with comparable data for selected other local authority areas where CBL is also in operation. Finally, to gauge the impact of CBL introduction on the efficiency of the lettings process, we compare average relet times recorded by local HAs in 2001/02 with those recorded for 2006/07.

4.2 Scope of CBL

Two thirds of all properties let by housing associations in Wirral in the last financial year were recorded as being let under CBL (see Table 4.1). Excluding associations with only small numbers of lets, Beechwood & Ballantyne, Leasowe CH, Maritime and WPH recorded particularly high ‘percentage CBL’ figures.

A few – mainly smaller – HAs remain outside the Wirralhomes partnership and it is to be expected that these HAs would record few, if any, lets made under CBL (see Table 4.1). Associations within the partnership are normally expected to submit at least 70 per cent of their vacancies for letting through CBL. At the same time, however, statutory homeless lettings are not included within the system. As shown in Table 4.2, most lets of this kind (85 per cent) are indeed made outwith CBL and so the significant percentages of lets being made outwith CBL by some associations are attributable to the efforts of these landlords in meeting homelessness demand.

However, Table 4.2 also shows that only a minority of Wirralhomes HA lets outwith CBL in 2006/07 were statutory homeless cases. Table 4.3 illustrates that for certain associations – particularly Arena, Riverside and Venture – lets outwith CBL primarily involved categories other than homeless cases. Analysis of CORE data shows that a substantial proportion (40 per cent) of these non-CBL, non-statutory homeless lets involved internal transfers and other moves involving households moving from one HA tenancy to another. Some of these lets may be ‘management transfers’.

13 Note that this figure does not relate directly to any table included in this chapter.
Comparing the characteristics of homes let via CBL with those let outwith the system there is no sign of any tendency to selectively process certain types or sizes of home outwith the Wirralhomes system. For example, the proportion of 2006/07 CBL lets which were 1-bed flats was 33 per cent as compared with 37 per cent of those let directly. Similarly, the proportions of lets accounted for by houses were 42 per cent and 47 per cent, respectively.

Table 4.1 – Housing association lettings, 2006/07 as recorded under the CORE system – breakdown by whether let through CBL

<table>
<thead>
<tr>
<th>HA</th>
<th>Wirralhomes member?</th>
<th>Choice-based lettings</th>
<th>CBL %</th>
<th>Total lets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arena</td>
<td>Yes</td>
<td>19</td>
<td>16</td>
<td>35</td>
</tr>
<tr>
<td>Beechwood &amp; Ballantyne</td>
<td>Yes</td>
<td>31</td>
<td>0</td>
<td>31</td>
</tr>
<tr>
<td>CDS</td>
<td>Yes</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Community Seven</td>
<td>No</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Contour</td>
<td>No</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>Yes</td>
<td>4</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Family Birkenhead</td>
<td>No</td>
<td>0</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td>Greater Hornby</td>
<td>No</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Leasowe</td>
<td>Yes</td>
<td>66</td>
<td>13</td>
<td>84</td>
</tr>
<tr>
<td>Liverpool Housing Trust</td>
<td>Yes</td>
<td>7</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Maritime</td>
<td>Yes</td>
<td>98</td>
<td>26</td>
<td>79</td>
</tr>
<tr>
<td>Pierhead</td>
<td>No</td>
<td>0</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>Pine Court</td>
<td>No</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Riverside</td>
<td>Yes</td>
<td>137</td>
<td>94</td>
<td>59</td>
</tr>
<tr>
<td>Rodney</td>
<td>Yes</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Servite</td>
<td>No</td>
<td>3</td>
<td>72</td>
<td>4</td>
</tr>
<tr>
<td>Venture</td>
<td>Yes</td>
<td>27</td>
<td>26</td>
<td>51</td>
</tr>
<tr>
<td>Wirral Methodist</td>
<td>Yes</td>
<td>27</td>
<td>20</td>
<td>57</td>
</tr>
<tr>
<td>Wirral Partnership Homes</td>
<td>Yes</td>
<td>630</td>
<td>188</td>
<td>77</td>
</tr>
<tr>
<td>Not known</td>
<td>NA</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>All lets recorded via CORE</td>
<td></td>
<td>1,056</td>
<td>525</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,581</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: All lettings enumerated in this table and included in the subsequent analysis were classed as involving ‘general needs’ housing.

Table 4.2 – Lettings by Wirralhomes partner HAs, 2006/07 as recorded under the CORE system – breakdown by new tenant homelessness status

<table>
<thead>
<tr>
<th>Homelessness status</th>
<th>Choice-based lettings?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>Row %</td>
</tr>
<tr>
<td>Not homeless</td>
<td>937</td>
<td>84</td>
</tr>
<tr>
<td>Statutory homeless</td>
<td>34</td>
<td>15</td>
</tr>
<tr>
<td>Other homeless</td>
<td>77</td>
<td>82</td>
</tr>
<tr>
<td>Total lets by partner HAs</td>
<td>1,048</td>
<td>73</td>
</tr>
</tbody>
</table>

43
Table 4.3 – Lettings by Wirralhomes partner HAs, 2006/07 outwith CBL as recorded under the CORE system – breakdown by homelessness status

<table>
<thead>
<tr>
<th>HA</th>
<th>Statutory homeless</th>
<th>Other</th>
<th>Total lets outwith CBL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Row %</td>
<td>Number</td>
</tr>
<tr>
<td>Arena</td>
<td>1</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>Beechwood &amp; Ballantyne</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CDS</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>1</td>
<td>17</td>
<td>5</td>
</tr>
<tr>
<td>Leasowe</td>
<td>9</td>
<td>69</td>
<td>4</td>
</tr>
<tr>
<td>Liverpool Housing Trust</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Maritime</td>
<td>15</td>
<td>58</td>
<td>11</td>
</tr>
<tr>
<td>Riverside</td>
<td>35</td>
<td>37</td>
<td>59</td>
</tr>
<tr>
<td>Rodney</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Venture</td>
<td>2</td>
<td>8</td>
<td>24</td>
</tr>
<tr>
<td>Wirral Methodist</td>
<td>13</td>
<td>65</td>
<td>7</td>
</tr>
<tr>
<td>Wirral Partnership Homes</td>
<td>114</td>
<td>61</td>
<td>74</td>
</tr>
<tr>
<td>Total lets outwith CBL</td>
<td>190</td>
<td>48</td>
<td>202</td>
</tr>
</tbody>
</table>

4.3 CBL and Re-letting Performance in the Wirral

Wirral Partnership Homes is concerned about the length of time taken to let some properties and believes that this may be partly attributable to defects of the Wirralhomes system. Reportedly, a substantial proportion of applicants highly ranked on lettings shortlists are found to be inappropriately matched and need to be filtered out.

Table 4.4 – Wirralhomes partner HA lettings, 2006/07 as recorded under the CORE system – typical relet intervals (days)

<table>
<thead>
<tr>
<th>HA</th>
<th>Mean no of days to relet</th>
<th>Median no of days to relet</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CBL? Yes</td>
<td>No</td>
</tr>
<tr>
<td>Arena</td>
<td>25</td>
<td>18</td>
</tr>
<tr>
<td>Beechwood &amp; Ballantyne</td>
<td>33</td>
<td>.</td>
</tr>
<tr>
<td>CDS</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>52</td>
<td>70</td>
</tr>
<tr>
<td>Leasowe</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>Liverpool Housing Trust</td>
<td>16</td>
<td>0</td>
</tr>
<tr>
<td>Maritime</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Riverside</td>
<td>46</td>
<td>40</td>
</tr>
<tr>
<td>Rodney</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Venture</td>
<td>26</td>
<td>22</td>
</tr>
<tr>
<td>Wirral Methodist</td>
<td>28</td>
<td>18</td>
</tr>
<tr>
<td>Wirral Partnership Homes</td>
<td>53</td>
<td>40</td>
</tr>
<tr>
<td>All partner HA lets</td>
<td>43</td>
<td>35</td>
</tr>
</tbody>
</table>

Table 4.4 shows that most HAs record somewhat longer relet intervals for lettings recorded as having been made under CBL than for lets made outwith the system. The
most significant exception to this rule is Leasowe CH which, in any case, records remarkably short relet periods. The table appears consistent with the WPH perception that the CBL process significantly prolongs relet times for the association, with the median figure being eight days longer for CBL lets than for other lets.

According to WPH, a factor contributing to the time taken to let properties under CBL is that a substantial proportion of tenancy offers made to shortlisted households are refused. This issue is explored in Tables 4.5(a) and (b).

Table 4.5 – Wirralhomes partner lettings, 2006/07 as recorded under the CORE system – breakdown by no. of tenancy offer refusals

(a) Lets through CBL

<table>
<thead>
<tr>
<th>HA</th>
<th>No. of refusals prior to letting</th>
<th>Total lets</th>
<th>% let on first offer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Arena</td>
<td>18</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Beechwood &amp; Ballantyne</td>
<td>15</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>CDS</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Leasowe</td>
<td>54</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Liverpool Housing Trust</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Maritime</td>
<td>72</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>Riverside</td>
<td>76</td>
<td>1</td>
<td>21</td>
</tr>
<tr>
<td>Rodney</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Venture</td>
<td>13</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Wirral Methodist</td>
<td>14</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Wirral Partnership Homes</td>
<td>295</td>
<td>151</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total lets via CBL</strong></td>
<td><strong>562</strong></td>
<td><strong>199</strong></td>
<td><strong>106</strong></td>
</tr>
</tbody>
</table>

(b) Lets outwith CBL

<table>
<thead>
<tr>
<th>HA</th>
<th>No. of refusals prior to letting</th>
<th>Total</th>
<th>% let on first offer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Arena</td>
<td>16</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Beechwood &amp; Ballantyne</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CDS</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Leasowe</td>
<td>10</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Liverpool Housing Trust</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Maritime</td>
<td>21</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Riverside</td>
<td>76</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Rodney</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Venture</td>
<td>22</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Wirral Methodist</td>
<td>17</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Wirral Partnership Homes</td>
<td>121</td>
<td>42</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total lets outwith CBL</strong></td>
<td><strong>289</strong></td>
<td><strong>58</strong></td>
<td><strong>22</strong></td>
</tr>
</tbody>
</table>

The comparison set out in Tables 4.5(a) and (b) seems to lend support to the contention that the CBL process is associated with a greater risk of tenancy offer...
refusal. Only just over half of all CBL lets are achieved without the need to re-offer the property (see bottom right cell in Table 4.5(a)). One in six CBL lets are achieved only after three or more tenancy offer refusals. In contrast, almost three quarters of non-CBL lets (74 per cent) are achieved on first offer and well under 10 per cent of such properties require to be offered more than twice (see Table 4.5(b)). Higher refusal rates for CBL lets than for non-CBL lets are recorded for virtually all partner HAs. At the same time, it is apparent that Wirral Partnership Homes records relatively high refusal rates for both CBL and non-CBL lets. This may reflect on the WPH lettings standard and/or the extent to which WPH manages stock classed as ‘low demand’ or ‘difficult to let’.

The CBL/non-CBL differences here could be partly attributable to the fact that a much larger proportion of the latter involve statutory homeless households or management transfers for whom the scope to refuse offers may be relatively limited. In an important sense, therefore, the CBL/non-CBL comparison may not be a like-for-like matter.

Nevertheless, it appears likely that the tendency for longer relet intervals for CBL lettings as shown in Table 4.4 is, indeed, at least in part a consequence of higher refusal rates.

4.4 CBL and Re-letting Performance: Wirral vs. Comparator Areas

Within Wirral it would appear that in 2006/07 lets made via CBL were liable to take longer to achieve than non-CBL lettings. To what extent is this typical of other areas where CBL is operated? Tables 4.6-4.8 explore this question. Bradford, St Helens and Walsall have been selected as suitable comparator areas in all are areas of potentially mixed demand where all former local authority housing stock has been transferred into housing association ownership.

*Table 4.6 – Wirral and comparator LAs: lets by main transfer HA, 2006/07 (as recorded under the CORE system)*

<table>
<thead>
<tr>
<th>LA area</th>
<th>Choice-based lettings?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Bradford</td>
<td>1,822</td>
<td>180</td>
</tr>
<tr>
<td>St Helens</td>
<td>844</td>
<td>19</td>
</tr>
<tr>
<td>Walsall</td>
<td>1,345</td>
<td>131</td>
</tr>
<tr>
<td>Wirral</td>
<td>630</td>
<td>188</td>
</tr>
</tbody>
</table>

*Table 4.7 – Wirral and comparator LAs: lets by main transfer HA, 2006/07 – typical relet intervals (days) (as recorded under the CORE system)*

<table>
<thead>
<tr>
<th>LA area</th>
<th>Mean no of days to relet</th>
<th>Median no of days to relet</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Choice-based lettings?</td>
<td>Choice-based lettings?</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Bradford</td>
<td>54</td>
<td>29</td>
</tr>
<tr>
<td>St Helens</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>Walsall</td>
<td>35</td>
<td>47</td>
</tr>
<tr>
<td>Wirral</td>
<td>53</td>
<td>40</td>
</tr>
</tbody>
</table>
As shown in Table 4.6, in 2006/07 the vast majority of transfer HA lettings in all four areas were achieved via CBL. Table 4.7 suggests that the Wirral experience of CBL being associated with longer relet intervals is not atypical. Table 4.8 suggests that, just as in Wirral, this outcome results at least partly from a tendency towards higher refusal rates for CBL lets than for non-CBL lets.

Table 4.8 – Wirral and comparator LAs: lets by main transfer HA, 2006/07 as recorded under the CORE system – breakdown by no. of tenancy offer refusals

(a) Lets through CBL

<table>
<thead>
<tr>
<th>LA area</th>
<th>No. of refusals prior to letting</th>
<th>Total lets</th>
<th>% let on first offer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Bradford</td>
<td>1,114</td>
<td>294</td>
<td>154</td>
</tr>
<tr>
<td>St Helens</td>
<td>534</td>
<td>174</td>
<td>56</td>
</tr>
<tr>
<td>Walsall</td>
<td>940</td>
<td>224</td>
<td>89</td>
</tr>
<tr>
<td>Wirral (WPH)</td>
<td>295</td>
<td>151</td>
<td>68</td>
</tr>
</tbody>
</table>

(b) Lets outwith CBL

<table>
<thead>
<tr>
<th>LA area</th>
<th>No. of refusals prior to letting</th>
<th>Total lets</th>
<th>% let on first offer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Bradford</td>
<td>165</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>St Helens</td>
<td>14</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Walsall</td>
<td>117</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Wirral (WPH)</td>
<td>121</td>
<td>42</td>
<td>11</td>
</tr>
</tbody>
</table>

Table 4.8 suggests that Wirral’s experience of higher refusal rates for CBL lets may not be unusual. At the same time, however, the figures for Wirral Partnership Homes are fairly striking in that tenancy offer acceptance rates are considerably lower than in the other three areas for both CBL and non-CBL lets.

On the face of it the findings set out in Tables 4.4-4.8 might be interpreted as suggesting that CBL is an inherently ‘less efficient’ approach than ‘direct lettings’. Given the status of CBL as a government-backed policy, such an interpretation could raise some awkward questions. An alternative interpretation of these findings would be that these reflect the fact that lettings processed via CBL and outwith CBL are not directly comparable. Lettings being achieved outwith CBL as an ‘exceptional’ procedure may often have some specific characteristics making them inherently more likely to be achieved quickly, perhaps partly because of being at less risk of tenancy offer refusal. For example, utilisation of direct lets for ‘management transfers’ could result in this outcome. For this reason the findings as set out above should not necessarily be interpreted as evidence that CBL is ‘less efficient’ than a traditional ‘direct lettings’ approach. Indeed, as shown below, there is evidence suggesting an opposite conclusion (see Chapter 4.5).
To set the Wirral findings in a broader context Table 4.9 compares typical relet intervals for CBL and non-CBL lets as recorded by transfer HAs in all post-transfer local authorities where there is a CBL partnership in operation – i.e. a joint CBL scheme involving four or more partner HAs. The Wirral figure included in this table differs from that in Table 4.7 because in this case it represents lets by all three transfer HAs operating in the borough (WPH, BBCHA and Leasowe), rather than WPH alone. Typical relet intervals in Wirral are not the highest in the table but they are at the higher end of the spectrum. In a few authorities transfer HAs recorded typical relet intervals of less than half the Wirral values. While most of these were operating in more pressured housing markets in the South of England this does indicate that multi-landlord CBL systems are not inherently a brake on lettings service efficiency.

Table 4.9 – All post-transfer LAs with CBL partnerships: lets by transfer HAs, 2006/07 as recorded under the CORE system – typical relet intervals (days)

<table>
<thead>
<tr>
<th>Local authority area</th>
<th>Mean CBL?</th>
<th>Median CBL?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Bath &amp; NE Somerset</td>
<td>40</td>
<td>38</td>
</tr>
<tr>
<td>Bradford</td>
<td>54</td>
<td>29</td>
</tr>
<tr>
<td>Carlisle</td>
<td>60</td>
<td>44</td>
</tr>
<tr>
<td>Cotswold</td>
<td>24</td>
<td>4</td>
</tr>
<tr>
<td>Eastleigh</td>
<td>19</td>
<td>74</td>
</tr>
<tr>
<td>Herefordshire</td>
<td>27</td>
<td>16</td>
</tr>
<tr>
<td>Kennet</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Lichfield</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Middlebrough</td>
<td>56</td>
<td>47</td>
</tr>
<tr>
<td>Peterborough</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>Reigate &amp; Banstead</td>
<td>25</td>
<td>21</td>
</tr>
<tr>
<td>Restormel</td>
<td>7</td>
<td>30</td>
</tr>
<tr>
<td>Rushcliffe</td>
<td>30</td>
<td>22</td>
</tr>
<tr>
<td>Rushmoor</td>
<td>20</td>
<td>14</td>
</tr>
<tr>
<td>South Shropshire</td>
<td>28</td>
<td>1</td>
</tr>
<tr>
<td>St Helens</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>Test Valley</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Torbay</td>
<td>31</td>
<td>22</td>
</tr>
<tr>
<td>Trafford</td>
<td>33</td>
<td>56</td>
</tr>
<tr>
<td>Vale of White Horse</td>
<td>24</td>
<td>26</td>
</tr>
<tr>
<td>Walsall</td>
<td>35</td>
<td>28</td>
</tr>
<tr>
<td>West Wiltshire</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Wirral*</td>
<td>48</td>
<td>39</td>
</tr>
</tbody>
</table>

*See text for definition

4.5 Re-letting Performance in the Wirral: Changes Over Time

Finally, drawing on historic CORE data, we can compare re-letting performance recorded by Wirralhomes member HAs in 2006/07 with 2001/02, the year prior to the introduction of CBL. As shown in Table 4.10, in virtually every case, performance has improved on both measures. At the collective level, mean relet intervals have been cut from 36 days to 28 days, with the median figure reduced from 28 days to 20 days.
In the interests of comparability, figures for Beechwood & Ballantyne and WPH have been excluded from the authority-wide figures for 2006/07 as shown in Table 4.10. This reflects the fact that neither of these associations had yet been created in 2001/02. However, as a local authority housing department, Wirral recorded an average relet interval of 61 days in 2001/02 (Audit Commission performance indicators). On this basis the 2006/07 mean figures for BBCHA and WPH (33 days and 50 days) represent a considerable improvement for these associations, in keeping with the trend for other Wirralhomes partner HAs.

Improvements in housing management unrelated to the lettings system have no doubt contributed to the general improvement in performance as shown in Table 4.10. However, with gains having been made across the board rather than by a few exceptional landlords it would seem a reasonable supposition that CBL – as a factor to which all member HAs have been subject – has played a significant part in producing this outcome. Generally more favourable housing market conditions may also have been a significant factor – at least for associations with appreciable numbers of properties classed as ‘difficult to let’ in 2001/02.

Table 4.10 – Typical relet intervals for Wirralhomes member HAs in 2001/02 (pre-CBL) and in 2006/07 – figures from CORE data

<table>
<thead>
<tr>
<th>HA</th>
<th>Mean 2001/02</th>
<th>Mean 2006/07</th>
<th>Median 2001/02</th>
<th>Median 2006/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arena</td>
<td>29</td>
<td>22</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Beechwood &amp; Ballantyne</td>
<td>-</td>
<td>33</td>
<td>-</td>
<td>28</td>
</tr>
<tr>
<td>CDS</td>
<td>127</td>
<td>7</td>
<td>83</td>
<td>7</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>85</td>
<td>63</td>
<td>56</td>
<td>52</td>
</tr>
<tr>
<td>Leasowe</td>
<td>18</td>
<td>16</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Liverpool Housing Trust</td>
<td>62</td>
<td>14</td>
<td>49</td>
<td>16</td>
</tr>
<tr>
<td>Maritime</td>
<td>30</td>
<td>13</td>
<td>25</td>
<td>5</td>
</tr>
<tr>
<td>Riverside</td>
<td>49</td>
<td>44</td>
<td>42</td>
<td>41</td>
</tr>
<tr>
<td>Rodney</td>
<td>18</td>
<td>8</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Venture</td>
<td>35</td>
<td>24</td>
<td>35</td>
<td>21</td>
</tr>
<tr>
<td>Wirral Methodist</td>
<td>24</td>
<td>24</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>Wirral Partnership Homes</td>
<td>-</td>
<td>50</td>
<td>-</td>
<td>35</td>
</tr>
<tr>
<td>All partner HA lets*</td>
<td>36</td>
<td>28</td>
<td>28</td>
<td>20</td>
</tr>
<tr>
<td>Wirral Council</td>
<td>61</td>
<td>-</td>
<td>n.a.</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excluding Beechwood & Ballantyne HA and WPH for 2006/07 – see text for explanation

Also consistent with the interpretation that the Wirralhomes CBL system has contributed to improved relet times are findings on changes in the relet performance of the two largest HAs operating in Wirral but not members of the Wirralhomes partnership. Collectively, these two associations (Family HA (Birkenhead) and Servite Housing) recorded a median relet interval of 20 days in 2001/02 but 27 days in 2006/07. The corresponding mean figure increased from 45 to 57 days.

4.6 Chapter Summary

Two thirds of all 2006/07 lets recorded by Wirralhomes member RSLs were made via choice-based lettings. Excluding those involving statutory homeless households, some 84 per cent of 2006/07 lets by the partner landlords were made through CBL.
Only just over half (54 per cent) of Wirral CBL lets in 2006/07 were achieved without the property being initially refused. In more than one in six instances lettings were achieved only after the property had been refused at least three times. The significant incidence of refusals will have contributed to the relatively high overall mean relet interval for Wirral CBL lets of 43 days. In comparison with transfer RSLs in other comparable areas, Wirral Partnership Homes records relatively high rates of tenancy offer refusals. However, since this is true of both CBL and non-CBL lets it does not necessarily indicate that – whatever its defects – the Wirralhomes CBL system is significantly less efficient than those in operation elsewhere.

Wirral lets achieved under CBL typically take somewhat longer to achieve than the minority of those processed as ‘direct lettings’. However, the same pattern is found in most other comparable local authority areas and may well reflect the fact that non-CBL lets tend to be ‘exceptional’ and therefore not properly comparable with CBL lets. For example, it may well be that such lets disproportionately involve categories such as statutory homeless households or management transfers. Partly because of applicants’ limited scope to refuse offers in such circumstances, it would be expected that lets of these types could be relatively quickly achieved.

Comparing void management performance in 2006/07 with that recorded immediately before the introduction of CBL it appears that virtually all partner HAs have improved their performance – a number by considerable margins. By contrast, associations outwith the Wirralhomes partnership saw deteriorating relet performance over this period. Overall, therefore, there is no evidence to suppose that CBL has compromised housing management efficiency and good grounds for believing that the opposite is true.
5. Review of CBL Partnerships Elsewhere in England

5.1 Background and Scope

This chapter summarises results from an e-mail survey undertaken as part of the research. It also incorporates findings from four follow-up telephone interviews with survey respondents. Two key research tasks were to investigate:

- how other local authorities and housing associations organise combined CBL services, and
- the level of service that modern CBL systems offer to customers.

These questions were addressed through a national survey carried out in Autumn 2007. The CBL schemes included in the survey were those being operated in institutional contexts similar to that in Wirral – i.e. those:

- in post-transfer areas
- involving numerous housing association participants.

Local authority annual statistical returns to CLG showed that in summer 2006 there were 34 post-transfer LAs where CBL was in operation. Of these (and excluding Wirral itself), 23 of these involved four or more participating housing associations. Our survey included CBL schemes being operated in each of these LA areas plus three other schemes known to the researchers as fulfilling the basic eligibility criteria and having been established since summer 2006.

In all, therefore, our survey covered 26 CBL schemes. In each case we contacted the lead organisation by e-mail with a request for the completion and return of a short questionnaire (attached at Annex 1). The 22 responses received equate to a response rate of 85 per cent (see Annex 2 for respondents).

As well as addressing the issues cited above, the questionnaire also asked respondents about the IT system facilitating their CBL operations and its functionality. The partnerships covered by the survey are listed in Table 5.1. Respondents kindly agreeing to take part in the follow up interviews were:

- Bradford Community Housing Trust
- Helena Housing
- Kennet DC
- West Wiltshire DC
5.2 Survey Findings

**Geographical coverage and scheme leadership**

With one exception (Ocean Housing’s East Cornwall scheme) all of the partnerships covered by survey responses were specific to a single local authority area. However, a number of respondents mentioned ongoing development work on sub-regional partnerships, with some of these expected to go live in summer 2008.

The schemes covered by survey responses were split evenly between those administered by post-transfer local authorities (11) and by the respective stock transfer housing association (11). There was a strong tendency towards the former arrangement in district councils, with councils being the lead agency in nine of the 12 district status authorities from which responses were received. Conversely, in unitary and metropolitan authorities the transfer housing association tended to play the lead role – this being true in eight out of ten instances. In this context, therefore, Wirral is somewhat unusual in that it is a larger metropolitan authority where operational responsibility for lettings was retained by the Council at the time of the main transfer.

The typical district/met (or unitary) contrast could be related to organisational size. This alludes to the fact that stock transfer landlords in unitary and metropolitan authorities have typically taken on somewhat larger numbers of transferred homes than their counterparts operating in district council areas. These larger landlords may typically feel more confident than smaller transfer associations about managing a ‘specialist function’ such as CBL. Alternatively it may be that smaller district councils which have ceased to operate as landlords may tend to feel that retention of the lettings function provides an important opportunity for maintaining an active role in housing.

Whilst it would have been interesting to explore the pros and cons of local authority versus transfer RSL scheme leadership this was unfortunately beyond the scope of the survey.

**Scope of CBL systems**

Most of the schemes (13 of 21 responses on this question) involved participating housing associations submitting all (or almost all) their vacancies to be let via CBL. In other schemes most associations participated to the extent of submitting only those vacancies designated as contributing towards an association’s nominations obligation (usually amounting to 50 per cent of net lettings). Under this model other vacancies were retained for ‘direct lets’ to households registered on an association’s own waiting list or transfer list (and prioritised according to the association’s own allocations policy). A fairly common scenario was for the transfer RSL to let all its vacancies via CBL whilst other partners contributed only ‘nomination vacancies’.

Schemes encompassing ‘all RSL lettings’ were more common among those run by local authorities rather than where transfer RSLs took the lead. The typically ‘limited engagement’ of non-transfer RSLs in schemes run by their LSVT counterparts could be interpreted as suggesting the former see such an arrangement as potentially subservient to a transfer RSL’s own housing management interests. Alternatively, it could result from a stronger local authority emphasis on securing full participation.
Three schemes advertised some private lets alongside social housing vacancies. In two of these schemes this was linked with local landlord accreditation schemes and was offered as a free service to encourage participation. In at least two cases (Bradford and Kennet) private lets are advertised free of charge since private landlord involvement is considered a local authority strategic priority. Ten respondents reported plans to expand their existing CBL system to encompass private lettings.

**CBL partnerships**

Well under half of the schemes covered by the survey (eight of 21 responding on this point) could be characterised as ‘full partnerships’ in the sense of being governed by a board or steering group representing all participating RSLs and with decision-making powers (as in Wirral). Twelve schemes were characterised as having a strong scheme lead organisation effectively retaining responsibility for operational decisions – albeit in consultation with partner RSLs. Which of these contrasting models was operated did not appear to be associated with the organisational type of the lead agency (LA or RSL).

The status of governing boards or steering groups varied from scheme to scheme. In some cases, such bodies met only infrequently or functioned only as a ‘discussion group’. In others, arrangements were more formalised. In Bradford, for example, there were two separate bodies with complementary remits. A ‘steering group’, responsible for policy issues (e.g. allocations policy or cost-sharing), met quarterly. A ‘development group’, responsible for nuts and bolts issues such as software functionality and staff procedures, met 3-6 monthly.

Most respondents (14 of 19 on this point) reported their scheme as involving all participating RSLs being tied into the partnership via a documented contract or similar device. In only two cases was the relationship described as an entirely informal matter. Nevertheless, only two respondents reported a specific notice period in case of a partner wishing to withdraw (three months in one instance, six months in the other). It is not clear whether this means that few schemes involved defined notice periods or that defined periods did exist but respondents were in ignorance of their exact duration. One variant, as represented by the St Helens/Helena scheme, was where the formality of the partnership involved the contractual relationship between local authority and transfer RSL as service provider. Examples of schemes governed by a set of SLAs covering all participating RSLs included Kennet and West Wiltshire.

A number of respondents noted that scheme governance arrangements were likely to become more formalised under sub-regional CBL schemes being developed at the time of the research. Others envisaged introducing greater formality to their local partnership via Service Level Agreements (SLAs) or bringing more local associations within formal partnership frameworks.

**Cost sharing**

How CBL scheme costs are shared between local authorities and housing associations can be a particularly problematic matter in CBL partnerships where the local authority has ceased to operate as a landlord in its own right, since this rules out the option of simply sharing costs pro rata to housing stock or lettings. Consequently, investigating
approaches to setting LA financial contributions to CBL schemes was an issue of particular interest in the survey.

The first question here is what constitutes ‘scheme costs’. The survey findings confirm that in some – but not all – partnerships there was a clear distinction between the costs of managing and maintaining the housing register and the costs of administering the lettings process (including associated costs such as advertising and the maintenance of websites).

There was no single dominant approach to the calculation of local authority financial contributions. As shown in Table 5.1, at least seven different approaches were discernible across the 21 schemes covered in survey responses. The models identified range from cases where authorities funded schemes in their entirety to those where they made no recorded financial contribution.

Table 5.1 – Local authority contribution to CBL scheme costs

<table>
<thead>
<tr>
<th>Model</th>
<th>No. of schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td>All costs</td>
<td>3</td>
</tr>
<tr>
<td>All staff costs (advertising costs paid by RSLs)</td>
<td>3</td>
</tr>
<tr>
<td>Equal shares with transfer RSL (usually other RSLs make small contributions)</td>
<td>4</td>
</tr>
<tr>
<td>Fixed share of total scheme costs scaled to reflect statutory duties</td>
<td>4</td>
</tr>
<tr>
<td>Individual staff member costs only</td>
<td>1</td>
</tr>
<tr>
<td>Register costs only (little or no contribution to CBL running costs)</td>
<td>4</td>
</tr>
<tr>
<td>No recorded financial contribution</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
</tr>
</tbody>
</table>

Between these extremes one commonly operated model was where the council and the transfer RSL paid equal shares – typically totalling around 80 per cent of defined scheme costs. However, these tended to be areas where the transfer RSL was very dominant in terms of social housing stock numbers because, historically, the district had seen relatively little housing association activity. Because such conditions do not hold true in Wirral this model would not appear to be particularly appropriate in this context.

In at least two schemes (Restormel/Ocean and St Helens/Helena) RSL cost contributions were made up of two distinct elements – a membership fee and a per advert charge. A similar approach is used by the Supplier 4 partnership in West London.

In four areas the local authority paid a fixed share of the gross cost. This latter arrangement may be justified by the argument that a proportion of lettings made via the scheme enable the authority to discharge statutory duties towards homeless households. A different justification cited by one scheme lead housing association was that its CBL administration included assisting vulnerable individuals, an activity qualifying for local authority financial support funded from the Council’s Supporting People budget. There are some similarities with the existing Wirral arrangement,
although with council shares tending to be fixed in percentage terms such formulae were arguably more sustainable than the Wirral scenario.

Given that lettings constitute a fundamental landlord activity it is perhaps surprising to identify instances where all or most CBL costs are reportedly paid by the post-transfer local authority (see Table 5.1). Some authorities see it as appropriate that they ‘subsidise’ RSL participation on the grounds that CBL is a strategic priority. Whilst it is practised in only a few areas, the model involving local authority responsibility for register management alongside housing association liability for all lettings-related costs looks like the neatest and most logically defensible cost-sharing rationale from a council viewpoint.

Housing association cost shares were also calculated in a variety of ways. As implied by Table 5.1, the transfer association was often treated differently from other landlords, perhaps for no other reason than that it was the agency running the scheme and therefore initially liable for the administrative costs involved. Also, in such circumstances, transfer RSLs sometimes demonstrated greater commitment to CBL than their smaller counterpart associations (e.g. by processing via CBL all rather than just a proportion of their lettings).

Relatively few respondents were able to specify CBL start-up costs. However, the huge variations in amounts cited (6k-375k) raise questions about whether like was always being compared with like. Also perhaps of interest are the very large variations in the share of start up costs accounted for by IT costs. In by no means every case did ICT costs reportedly form the bulk of the total.

A slightly larger number of respondents specified annual CBL running costs but in only a very few cases was this broken down into constituent elements. As with set-up costs there was a huge variation in reported running costs (from £25K-600k). Only part of this variation can be accounted for by whether or not the figure included housing register management costs.

**IT systems and functionality**

Respondents were asked about their IT software and its functional capabilities. As shown in Table 5.2, a range of software providers were represented.

Whilst most systems facilitated online bidding automated phone bidding was less common (see Table 5.3). The question about interfaces with local authority strategic systems was intended to refer to corporate databases such as the council’s land and property gazetteer or council tax records. In practice, where respondents indicated that such interfaces existed, this tended to refer only to links with housing management systems.
Table 5.2 – CBL software suppliers

<table>
<thead>
<tr>
<th>Supplier</th>
<th>No of schemes</th>
<th>Avg functionality score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier 1</td>
<td>6</td>
<td>3.8</td>
</tr>
<tr>
<td>Supplier 7</td>
<td>4</td>
<td>2.75</td>
</tr>
<tr>
<td>Supplier 8</td>
<td>3</td>
<td>2.3</td>
</tr>
<tr>
<td>Supplier 9</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Supplier 10</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Supplier 5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>In-house</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Supplier 6</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17</strong></td>
<td><strong>2.6</strong></td>
</tr>
</tbody>
</table>

Combining the responses on system functionality (see Table 5.3) we produced a crude overall ‘functionality score’ (0-5) and calculated an average value for each of the main system suppliers (see Table 5.2). As well as being used in more places than other systems, Supplier 1 scored significantly better than its nearest rivals on this measure. One organisation was in the process of switching to Supplier 1 (following an open tender process), having determined that their existing software was unfit for purpose. Also in tune with these positive assessments, two respondents noted that the new sub-regional schemes being developed in their area were using Supplier 1 systems and that these were expected to be superior to the software infrastructure currently used at local authority level.

Table 5.3 – IT software functionality

<table>
<thead>
<tr>
<th>Whether CBL system IT software provides…</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interactivity - web-based online bidding</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Interactivity - automated phone bidding</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>Effective interfaces with partner RSL IT systems</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>Effective interfaces with LA strategic systems</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>Flexibility in specifying reports</td>
<td>17</td>
<td>4</td>
</tr>
</tbody>
</table>

5.3 Chapter Summary

The e-mail survey of CBL partnerships undertaken as part of the research covered local authority areas where former council housing had been transferred and where multi-RSL CBL systems were in operation. The survey drew responses from 22 LAs/RSLs – an 85 per cent response rate.

The schemes surveyed broke down evenly between those where the lead agency was the post-transfer local authority and where this role was played by the transfer RSL. However, the RSL-led model was much more common in larger and urban councils, whilst LA leadership was almost universal in (typically smaller and more rural)
districts. As a metropolitan area where the Council retains scheme leadership, Wirral is, therefore, unusual.

In their scope, most CBL partnerships were ‘comprehensive’ in that partner RSLs processed all or most of their lets through the system. However, schemes led by transfer RSLs tended to be ‘partial’ in the sense that non-transfer RSL participants contributed only those lets designated as fulfilling their nomination obligations. In only three cases did schemes involve private lettings being advertised alongside social housing vacancies.

Less than half of the schemes could be characterised as ‘full partnerships’ in the sense of being governed by a board or steering group (as in Wirral). More commonly, there was a strong scheme lead organisation which effectively retained responsibility for operational decisions – albeit in consultation with partner RSLs. In most cases it was reported that member RSLs were bound into the arrangement by some form of documented understanding but it may be that in some cases this was simply a reference to a nominations agreement rather than an SLA or similar compact.

There was no single dominant approach to sharing CBL costs. Perhaps surprisingly, some schemes were wholly or largely funded by (post-transfer) LAs. In others, by contrast, it was reported that LAs made no financial contribution. Most cases, however, lay between these extremes. Some involved resource contributions being fixed according to functional divisions of responsibility – e.g. where the local authority paid staff costs whereas RSLs funded advertising. A variant of this model, as operated in four areas, was where the local authority funded housing register maintenance costs, whilst RSLs shared lettings-related activities (e.g. pro rata to stock).

Eight software models were represented among the 22 schemes although the most numerous were those supplied by Supplier 1, Supplier 7 and Supplier 8. Functionality scores for Supplier 1 tended to be well above those for all other suppliers.
6. Upgrading Wirralhomes: ICT System Requirements

6.1 Chapter Overview

The primary means by which the functional requirements for Wirralhomes were developed as part of the Review were from ‘shadowing’ Wirralhomes staff and the ICT functionality workshop held at Wirral Town Hall on 31 October 2007.

As discussed in Chapter 3 all Wirralhomes RSL partners have concerns about the effectiveness and customer access arrangements for Wirralhomes current ICT. Before outlining the functional requirements to improve Wirralhomes ICT, we explore some of the current deficiencies in the existing ICT arrangements.

In summary, the key identified deficiencies identified are:

Lack of provision for customer self-service for either the housing register or the placing of expressions of interest/bids for available properties;

- To join the register applicants must either download an Adobe Acrobat file, manually complete it and post it to Wirralhomes, or phone into Wirralhomes during office hours or visit a One Stop Shop during their hours of business;

- Customers can only view available properties on the Wirralhomes website; bidding entails emailing or telephoning Wirralhomes or a visit to a service outlet such as a One Stop Shop or partner RSL reception;

Only void editions for WPH are held on the core Supplier 5 application, so for approximately 40% of all CBL lettings the Wirralhomes Team have to shortlist in property void edition specific Excel spreadsheets. This is a time consuming approach and undermines effective working practices since:

- it entails transcribing data from Supplier 5 to Excel which is time consuming and susceptible to human error;

- bidders cannot be restricted across different access channels from duplicating bids and this regularly occurs;

- it is difficult to determine if an applicant has used their two eligible bids in any bidding period;

- it prevents a joined-up analysis of bidding activity and tenancy turn-over;

- dealing with queries from applicants or Councillors on bidding activity and ‘shortlist’ position across void editions can be very time-consuming to collate.

Other than WPH, which benefits from wide area based secure network connections to the Supplier 5 applicants, other RSL partners can connect to the Housing Register to check applicant details only via a Virtual Private Network (VPN) connection to Supplier 5. This presents issues for all the non-WPH partners and many of them do not
utilise their VPN connection and rely solely on the partial information in the Excel shortlist file. This has significant CBL service outcome implications as bidders are liable to be processed in different ways by different RSL partners.

6.2 Observations on Wirralhomes Staff Use of the Supplier 5 System

Functionality of the Current Supplier 5 Configuration for Wirralhomes Staff

Wirralhomes staff consider the functionality offered by the current Supplier 5 configuration is acceptable for applications functionality and Group 1 WPH properties shortlisting, but that it offers poor support for Group 2 WPH properties shortlisting and for recording bids for all RSL properties.

From sitting alongside an experienced Wirralhomes staff member (Paula Winter) the following shortcomings were identified:

- Significant levels of address duplication and a lack of standardisation of address formats (Road, Rd, Close, Cl etc).

- National Insurance numbers (although sought on the housing registration form of the main applicant) are not widely used leading to instances of person data duplication.

- Group 2 (Non-urgent need) shortlists for WPH properties are not sorted on the shortlist screen in date of registration order; this means that when applicants ask for ‘their’ position on the list the staff member has to manually work this out. In a busy One Stop Shop environment a mistake could easily be made by a staff member attempting to answer a query and therefore they are asked not to attempt to provide this information.

- There are significant levels of duplicate bidding whereby applicants bid for the same property at One Stop Shops, via phone and email, requiring time-consuming manual deletions.

- Significant numbers of bids by people ineligible for specific properties (e.g. too small household size or wrong age criteria); again these require manual deletion.

- Duplication of the Equal Opportunities ethnic origin question since it is held as an application question and against the person’s party record since the deployment of version 5.12 of Supplier 5 (albeit that the current housing registration form on the website only seeks ethnicity details for the main applicant so the faith/belief, sexuality, disability/health or special communications needs of the applicant are asked as supplementary questions).

- No systems validation of the date of birth of the applicant and the age required to be eligible to bid for the property.

- No usage of person-based alerts for vulnerability or potential violence,

- Concerns in being able to identify the most up-to-date contact details and the current tenure for a shortlisted applicant on Supplier 5.
• Some non-contacts for high-ranked bidders, suggesting the need for bidders to confirm contact details.

*Some Estimated Metrics on Registration and Recording ‘Bids’*

**Registration**

A very experienced member of the Wirralhomes Team, Paula Winter, estimated that to register a hard copy form for a single applicant takes approximately five minutes if the applicant’s current address is on the system. Cases involving people whose current address is not held on the system require additional time. For each additional household member a further two minutes or so may be required. When Wirralhomes or One Stop Shops staff are undertaking the registration the process either over the phone or on a face-to-face basis the process will take longer as it will be necessary to record details from verbatim responses and the applicant may give extensive information about their life history. In these circumstances registrations can take as long as half an hour.

During 2006/07 there were 7,867 registrations/re-registrations; moving some of these onto a customer self-service channel available 24 hours by 7 days a week would clearly generate efficiencies and improve customer access arrangements.

**Bidding**

In the 2006/07 re-registration survey of applicants with a return of over 5,000 replies 32 per cent replied that they bid each week, 48 per cent indicated that they bid ‘occasionally’ and 21 per cent answered that they ‘rarely’ bid.

In terms of how applicants currently make enquiries about their Wirralhomes application or express interest in an advertised vacancy, the survey found:

(a). At a One Stop Shop - 54%
(b). By telephone during office hours - 31%
(c). By telephone out of office hours or weekends - 2%
(d). By email - 6%
(e). By post using the response coupon in the Wirral Globe (local newspaper) - 7%

Paula Winter estimated that for an experienced Wirralhomes staff member to log an expression of interest for a non-WPH property from a coupon, email or answer phone message takes approximately 2.5 minutes utilising Supplier 5 to confirm the applicant’s details and Excel to record the bid in the shortlist spreadsheet. During 2006/07 there were 1,234 lettings via CBL and with an average of 37 bids per property, equivalent to over 45,600 bids. Making allowance for 764 CBL lets to

---

14 Note that this is significantly greater than the numbers of lets recorded as being made via CBL according to RSL CORE returns – see Table 4.1
WPH\textsuperscript{15} where the expressions of interest can be loaded more quickly against a Supplier 5 void edition by Wirralhomes (or One Stop Shop) staff, the average time to record a bid may be in the order of two minutes across the CBL scheme from the point the member of staff has the bid. Based on 2006/07 data this suggests that more than 1,500 hours of the Wirralhomes and One Stop Shop staff team’s time is taken up in recording expressions of interest. That is equivalent to one FTE for approximately 44 weeks of the year and additional time in the One Stop Shop context for the face-to-face communication will be needed before the bid is made.

Clearly, encouraging customer self-service in bidding on a system available 24 hours by seven days a week would reap a potential considerable efficiency saving, allied to considerable benefits in terms of customer convenience. If the bidding process also has inbuilt validation to prevent duplicate and ineligible bids this would further assist with efficiency savings.

\textit{Customer and Councillor Enquiries and Complaints}

To answer a complex enquiry, complaint or members enquiry can involve searching across multiple void edition property Excel files and across multiple weeks. Compiling the data required to make an answer can therefore take several hours. Clearly, holding all the data in a single core database would significantly improve staff efficiency in this area of work.

6.3 Developing the Functional Requirements of Wirralhomes

Initially these were developed by bringing together the findings from the RSL stakeholder interviews, an awareness of housing register and CBL functionality in the market place and work undertaken in preparing for the Supplier 5 CBL mini-Special Interest Group (SIG) meeting at Nottingham on 2 November 2007.

The timing of the Supplier 5 CBL user group meeting was fortuitous as it meant that the Wirralhomes ICT Functionality Workshop on 31 October could feed into the discussion with Supplier 5. It also made it possible for the emerging Wirralhomes functional requirements ‘shopping list’ to be informed by a memorandum prepared for the Supplier 5 CBL meeting by Ron Whittle of Twin Valley Homes.

\textit{ICT Functional Requirements Workshop Session}

The absolutely key event in developing the functional requirements was the day long workshop on 31 October to which all Wirralhomes partners were invited. The event was well attended with all partners represented and it enabled a lot of ground to be covered as illustrated by the presentation attached at Annex 3.

The day began with an overview of the policy and legislative context for CBL and then moved into setting ICT based service improvement for Choice based lettings in the Wirral. As part of this session the delegates considered the finding from the 2006/07 Wirralhomes re-registration survey that 35 per cent of respondents had home internet

\textsuperscript{15} Again, somewhat more than recorded by WPH itself via CORE – see Table 4.1
access, and that 67 per cent would use the internet at home or elsewhere to express interest in vacancies if this service was available.

A workshop group exercise involved participants splitting into two groups (one Landlord and one Strategic) to consider the overarching questions from the Audit Commission’s KLOE 7 (Allocations & Lettings) and KLOE 6 (Tenancy and Estate Management) and any other factors to identify the key objectives which should determine any ICT functional improvements to Wirralhomes services.

Improving customer access, operational efficiency and the value for money offered by Wirralhomes were key themes to emerge from the group exercise. In addition, there was considerable diversity in the operational culture and priorities of the RSL partners implying that a ‘one size, fits all’ Wirralhomes service might not meet all partner needs and that the underlying ICT functionality for Wirralhomes would need to provide for flexible service offerings.

In the next session some interim findings were shared from the stakeholder interviews on current working arrangements. The workshop then divided into two groups to consider (a) What do you like about the current working arrangements - “things you would want to keep”, and (b) Shortcomings with the current working arrangements and improvement ideas – “things you would want to ditch or change”.

These discussions generated considerable material to inform the emerging functional requirements.

Another session reviewed some of the web-based offerings in the market place. This was also used to highlight the importance of data security and web-site accessibility. Group exercises were then conducted to address developing an ICT functional shopping list. Delegates were invited to: “Build on the objectives for ICT based service improvement, the arrangements that currently work and the improvement ideas identified earlier in the day to develop a functional ‘shopping list’ to market test”.

The groups were given a framework within which to develop their requirements, this was based on the following themes:

- Accessibility and systems availability (including service standards)
- Hosting arrangement
- Applications processing and verification
- The scope of properties covered and stock data held
- Void edition marketing
- Searching for available properties and bidding
- Matching and shortlisting
- Offer resulting
• Customer feedback
• Interfaces required
• Any technology essential requirements (e.g. true web application with secure http sessions?)

This exercise provided invaluable insights into Wirralhomes, Wirral Council and RSL partner perspectives and their functional requirements.

Attendees were also asked to identify whether aspects of desired functionality were essential, desirable or gimmicky. These judgements were used to assign importance to each item in the Wirralhomes functionality ‘shopping list’.

The Workshop closed with a ‘technical’ session with ICT delegates to identify:

• Each RSL’s ICT infrastructures, including networks configuration and housing management system and the use of Document Image Processing (DIP) and Workflow software (see Table 6.1).

• Any specific issues they could foresee based on the functional shopping list that emerged in the earlier session.

Key findings from the business and technical sessions around infrastructure preferences included:

• Ongoing concerns in relation to the ease of use, support and compatibility of the current Virtual Private Network (token) based approach to accessing Wirralhomes core system;

• A strong preference for a ‘true web application’;

• Confirmation that there was considerable diversity in ICT infrastructures and core applications across Wirralhomes partners, reinforcing non-WPH partner preferences for a true Web Application.

• Generally low levels of data interface usage between RSLs and local authorities elsewhere across the North West, suggesting that the business case for extensive interfacing between Wirralhomes and non-WPH RSL partners may not be strong.
6.4 Finalising the Functional ‘Shopping List’

After the workshop the functional items were consolidated and tabled at the Supplier 5 CBL mini-SIG on 2 November. This enabled participants from Wirralhomes, WPH, Wirral Council, along with Twin Valley Homes, to lead the Supplier 5 user community’s discussion with Supplier 5.

During the mini-SIG meeting, other Supplier 5 customers were invited to add any additional functional items to supplement the combined Wirralhomes and Twin Valley’s ‘functional shopping’ tabled list. Only Nottingham City Council identified some minor additional items, implying that the requirements that emerged from the Wirralhomes workshop were comprehensive.

Following the Supplier 5 event, the ‘shopping list’ was refined further with particular consideration being given to the ‘importance’ to Wirralhomes of the functional item (essential or desirable) ahead of the listing being considered at the Wirralhomes Steering Group on 15 November 2007.

In the light of Steering Group member comments the ‘importance’ of a number of shopping list functional requirements items was re-assessed. Allied to this work was the development of the market assessment documentation to supplement the functional requirements. This involved providing key contextual information and metrics to inform suppliers in providing cost estimates. A set of ‘general questions’ for suppliers were also developed and refined with Karen Laird, ahead of Catherine Green and Karen Laird approving the “Wirralhomes Review - Information and Communications Technology Pre-Procurement Market Assessment” documentation.

As Chapter 7 details, the Market Assessment documentation was dispatched to suppliers on 19 November 2007. This forms Annex 4 of this report and includes the ICT functional requirements developed as part of this Review of Wirralhomes.

6.5 Chapter Summary

The current lack of provision for customer self-service for either the housing register or the placing of expressions of interest/bids for available properties contributes to the high-level of manual processing of information by Wirralhomes. This is exacerbated by void editions for properties being held on the core Supplier 5 application only for WPH properties. Consequently, for approximately 40 per cent of all CBL lettings the Wirralhomes Team have to shortlist in property void edition specific Excel spreadsheets. This is a time-consuming approach and undermines effective working practices since it entails transcribing data and it is difficult to prevent duplicate bids. Similarly, in providing reports or dealing with queries from applicants or Councillors it can take hours to collate the necessary data. In addition, many RSLs have compatibility issues with the current Virtual Private Network access arrangements to Supplier 5 and they would prefer a web-based application.
Wirralhomes staff generally consider the functionality offered by the current Supplier 5 configuration is acceptable for applications functionality and Group 1 WPH properties shortlisting, but that it offers poor support for Group 2 properties shortlisting and for recording bids. However, a number of shortcomings with the current configuration and usage of Supplier 5 are identified in the main body of the report in relation to housing registrations and bids processing. We have estimated some metrics on current transaction times to evidence where improvements in ICT functionality for customer self-service and more effective staff working would improve efficiency. As the next steps in the final recommendations section makes clear, more work is need to value current transaction costs of existing ways of working.

The report outlines the process by which the ICT Functional Requirements were developed for the market assessment, with a particular focus on the findings to emerge from the all-day ICT Functional Requirements Workshop on 31 October 2007. This led to the preparation of a ‘shopping list’ of functionality structured around the following key themes: accessibility and systems availability (including service standards); hosting arrangements; applications processing, verification and assessment; the scope of properties covered and stock data held; void edition marketing; searching for available properties and bidding; matching and shortlisting; offer resulting; reporting and customer feedback and any interfaces required.

The functionality ‘shopping list’ was refined by attending a Supplier 5 CBL user group and then reviewed at the Wirralhomes Steering Group meeting on 15 November. A pre-procurement market assessment document based on the functional requirements was then dispatched to suppliers on 19 November and the findings from this assessment form the next chapter.
7. Options for Wirralhomes ICT System Upgrade

7.1 Overview of Potential Options

In our view the main options to consider in upgrading Wirralhomes ICT to improve efficiency and customer access arrangements are:

(a). Upgrade the existing Supplier 5 housing application under the WPH hosting arrangements to support all CBL partner voids and acquire Supplier 5-based housing register and CBL customer self-service functionality.

(b). Utilise the Wirral MBC Supplier 5 housing application instance under its existing Wirral MBC hosting arrangements and upgrade this to support all CBL partner voids and acquire Supplier 5-based housing register and CBL customer self-service functionality.

(c). Adopt a hosted Supplier 5 option utilising a new Supplier 5 housing application instance supporting all CBL partner voids and acquire Supplier 5-based housing register and CBL customer self-service.

(d). Maintain the existing Supplier 5 housing application under the WPH hosting arrangements to support all CBL partner voids and acquire non-Supplier 5-based housing register and CBL customer and RSL partner self-service functionality (i.e. a hybrid approach).

(e). Implement a new ‘niche’ housing applications and CBL web-based system with customer self-service hosted by Wirral MBC

(f). Implement a new ‘niche’ housing applications and CBL web-based system with customer self-service hosted by a third party.

A ‘do nothing’ option has not been considered as it is widely acknowledged that deficiencies in existing working arrangements are a major cause of operational inefficiency, that customer access is currently inadequate and that these problems cannot remain unaddressed. Likewise, an option of simply adding CBL partner stock and void editions to the WPH Supplier 5 housing application instance has not been separately costed as this would do little to address the fundamental efficiency and customer access concerns.

7.2 The Market Assessment Exercise

Given the range of possible options for upgrading the ICT utilised by Wirralhomes the Market Assessment exercise has focused on Supplier 5 and non-Supplier 5 based configurations rather than to adopt a hybrid based approach (see (d) above) whereby a mixed configuration is considered. This is because the main purpose of the Market Assessment is to understand the functionality available in the market place and its fit with Wirralhomes ICT requirements and to inform budgetary parameters. It was also concluded at this stage that requesting a ‘hybrid’ based set of options and costs would be too complex and ‘off-putting’ for suppliers at this stage in Wirralhomes assessing the market.
Chapter 6 discussed how a functionality ‘shopping list’ was developed and agreed at the 15 November 2007 Wirralhomes Steering Group meeting. A pre-procurement market assessment document was prepared based on the ‘shopping list’ and approved by Catherine Green and Karen Laird to send to an agreed select list of suppliers. This was dispatched on 19 November 2007 with a return deadline of 14 December 2007.

It is important to appreciate that the information gathered by this assessment is not under formal procurement procedures (such as under a pre-qualification questionnaire or a tender), and as such it is indicative, with some suppliers specifying caveats to their answers and cost estimates. As is discussed in the costings section, the ways that some suppliers responded makes it difficult for definitive cost estimates to be achieved.

The select list was drawn up based on Wirralhomes current ICT provider (Supplier 5), supplemented by suppliers with ‘niche’ reputations and credentials in offering housing register and CBL functionality, and in the case of Supplier 2 (which has been known to provide competitive CBL quotations) it was included to provide a similar supplier type to Supplier 5 for comparator proposes.

The following suppliers were invited to respond to the market test of the functionality available for Choice Based Lettings Systems and to provide an indicative pricing for a hosted and non-hosted solution:

- Supplier 1
- Supplier 2
- Supplier 3
- Supplier 4
- Supplier 5
- Supplier 6

The Market Assessment document provided context and required suppliers to provide answers to a number of general questions and to indicate their compliance or otherwise with a ‘functionality shopping list’ drawn up with input from the RSL partners. Key metrics were provided in relation to the number of partners involved, transactions volumes and the number of likely systems users to aid suppliers in pricing recommended configurations.

The Market Assessment document stressed that for some requirements the absence of detailed specifications would require ‘estimation by the suppliers’:

“Clearly, for some areas where functionality may need to be developed, suppliers may have difficulty in providing precise costings without an agreed detailed specification. Nevertheless, we would be grateful for a 'best estimate' so that Wirralhomes can gain 'budgetary' insight before embarking on a formal procurement exercise.”

In the end Supplier 2 declined to respond since they do not provide the core housing application for the Council or WPH.
There were two telephone conversations with Supplier 3 prior to the return deadline and which indicated a response would be made. In the event, however, Supplier 3 emailed on the last day indicating that they would respond in another week and when advised that this would not allow time for the analysis they sent a further email declining to respond but asking to be considered if a full tender process was initiated.

The analysis has therefore been limited to the four responses received.

This section of the Review report considers their responses to the general questions and pricing, especially in relation to future developments and implementations, before addressing the overall compliance with the different elements of the ‘shopping list’ and providing an evaluation of the options.

**General Questions**

The assessment pack included a set of general questions to elicit basic financial and company information as well as to summarise the likely overall costs and inputs relating to implementation. In addition these questions addressed the supplier’s technology; support and maintenance as well as their approach to product upgrades, enhancements and user groups.

Annex 5 provides a matrix comparing the answers to the general questions from the suppliers.

Some key themes to emerge were:

**Options price estimated** – Supplier 4 only offers a hosted service, and Supplier 6 only price estimated for a hosted option. Supplier 1 costed both hosted and non-hosted options, while Supplier 5 quoted for a WPH and Wirral MBC hosted option and mentioned that it could provide costs for a Supplier 5-hosted option but would need more information.

**Core technologies** – Apart from Supplier 5 all the suppliers’ front and back-office offerings are web applications. Supplier 5 utilises its additional CBL and e-Services configuration to offer public access. Supplier 1, Supplier 4 and Supplier 6 all utilise Microsoft SQL server and .NET applications; by contrast Supplier 5 utilises Oracle and Java based applications.

**Plans to change underlying technology** – None of the suppliers reported any plans to fundamentally change their core technologies.

**User Group and plans for enhancements** – Supplier 6 was the only supplier to have no user group and an active development programme informed by the system user community. Supplier 6’s response highlighted that their CBL modules are tailored to each customer’s requirements and that enhancements are therefore led by a customer’s specification and they are offered to others via ‘vision days’.

**Licensing** – Supplier 4, in offering a central lettings service, charges no licence fees. Supplier 1 uses a geographical basis for licensing. Supplier 5 uses a stock number basis and Supplier 6 licensing charge is based on the volume of concurrent back office users. This can lead to quite different pricing outcomes with Supplier 5 and Supplier 6 proving relatively ‘expensive’ in their approach.
Implementation timescale – All of the suppliers stressed that the implementation timetable would depend on the complexity of the eventual ‘solution’; ahead of this Supplier 1 would expect implementation to take about 3 months, Supplier 4 estimated 3-6 months, Supplier 6 4-6 months and Supplier 5 6-9 months.

Implementation timing – Suppliers were asked ‘If Wirralhomes ran a procurement exercise during the Spring of 2008, and your company was selected how quickly would your company be able to start implementing your system for Wirralhomes?’. Supplier 1 could commence in Summer 2008, Supplier 4 three weeks after selection, Supplier 5 immediately on contract signature and Supplier 6 assumed a three month procurement timetable and could start on 1 June 2008.

Suppliers’ Responses and Costings (all are VAT exclusive)

Although the Market Assessment document sent to suppliers provided a consistent format against which cost estimates were sought, suppliers did not all follow the structure provided. This has made it difficult in some instances to fully cost the supplier responses as, for example, none provided hardware quotations for the non-hosted options and some left the detailed cost breakdown questions blank. In addition, anticipated bidding metrics on potential bidding activity across different access channels (web, text, automated phone or DigiTV) for Wirralhomes were not available for the Market Assessment exercise, so pricing the full costs of utilising these channels is not yet possible.

The cost information provided has also been heavily caveated by the suppliers as ‘estimated’ or ‘based on assumptions’, and as such it should be seen as ‘indicative’. Further work on anticipated metrics will be required before a firm procurement budget can be set.

In this section we consider each of the supplier’s cost estimates in turn before comparing them for ‘hosted’ and ‘non-hosted’ options. Annexes 6a and 6b provide a fuller breakdown of the costings summarised in this part of the report. In these Annexes we have attempted to make the basis of cost estimation as consistent as possible across the suppliers by for example including the costs for bid channel infrastructure for telephone and SMS Texts where the supplier has provided these.

Supplier 1

Supplier 1 completed all sections of the assessment document either on the spreadsheet or by reference to other accompanying documents, albeit that one referenced document was not attached. They have an extensive customer portfolio, in this field.

Current system improvements offered by Supplier 1 include the introduction of DigiTV based bidding for Sky Interactive and Virgin Media users, integration with Local Land and Property Gazetteer data for easy address validation, enhancements to ‘drag and drop’ reporting and enhancing user group arrangements.

Supplier 1 indicated a possible implementation commencement timescale from Summer 2008 and estimated a comparatively low level of client input being required – 15 days plus 1 day per week for liaison throughout the period of the implementation, which they estimate typically would take 3 months.
They stressed a wide number of Housing Systems to which they have provided interfaces.

A separate pricing document was provided which gave the most detail of any supplier on their cost components and the document included the following ‘headline’ overall costs for hosted and non-hosted services (see Table 7.1).

**Table 7.1 – Supplier 1 cost estimates**

<table>
<thead>
<tr>
<th>Type of service</th>
<th>Basic initial cost</th>
<th>Annual cost in first year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hosted</td>
<td>£38,550</td>
<td>£11,595</td>
</tr>
<tr>
<td>Non-hosted</td>
<td>£42,192</td>
<td>£7,460</td>
</tr>
</tbody>
</table>

In addition to the basic costs set out in Table 7.1, the submission specified potential optional costs relating to elements of the CBL system (e.g. single language telephony bidding service setup (0845 number) at £1,300) and up to £12,350 for the Housing Register module. The company has also indicated that additional costs of £5,000 would be levied for contract review unless their standard contract was used. There are also minor additional costs relating to an Escrow agreement.

In Annexes 6a and 6b we have attempted to calculate a minimum and maximum range in possible costs for a hosted and non-hosted Supplier 1-based system. This includes adding to the core costs the set-up and annual costs as well as some items such as support which Supplier 1 had made optional. These costs are summarised in Table 7.2.

**Table 7.2 – Estimated maximum and minimum Supplier 1 costs**

<table>
<thead>
<tr>
<th></th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hosted</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set up costs</td>
<td>£38,550</td>
<td>£38,550</td>
</tr>
<tr>
<td>Annual Minimum</td>
<td>£17,895</td>
<td>£23,995</td>
</tr>
<tr>
<td>Annual Maximum</td>
<td></td>
<td>£23,995</td>
</tr>
<tr>
<td>Optional extras - initial costs</td>
<td></td>
<td>£40,890</td>
</tr>
<tr>
<td>Optional extras - ongoing costs</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Total</td>
<td>£56,445</td>
<td>£103,435</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Hosted (excludes hosting server hardware costs)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set up costs</td>
<td>£42,192</td>
<td>£42,192</td>
</tr>
<tr>
<td>Annual Minimum</td>
<td>£13,760</td>
<td>£16,360</td>
</tr>
<tr>
<td>Annual Maximum</td>
<td></td>
<td>£16,360</td>
</tr>
<tr>
<td>Optional Extras - Initial costs</td>
<td></td>
<td>£40,890</td>
</tr>
<tr>
<td>Optional Extras - Ongoing costs</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Total</td>
<td>£55,952</td>
<td>£99,442</td>
</tr>
</tbody>
</table>

Please note it has not been possible to estimate ongoing optional costs across suppliers as anticipated volumes of transactions across bid channels are not known, Supplier 1 provided an option at - £7,370

We have also highlighted in the Annexes some of the costing issues remaining to be resolved in relation to the Supplier 1 submission.
For the **hosted option**, these were: Training; Transaction take-up costs by Automated Telephone or SMS; Housing Register hosting fee; any advertising costs; DigiTV (Kirklees costs); and any Private Sector Property Transaction Costs.

For the **non-hosted option** these were: Hardware acquisition and licenses cost; Training; Transaction take-up costs by Automated Telephone or SMS; Housing Register hosting fee; any advertising costs; DigiTV (Kirklees costs); Any Private Sector Property Transaction Costs.

Depending on what Wirralhomes decides to procure and utilise there might be other possible hidden costs – for example the Supplier 1 response stated ‘**Note that a separate per property charge applies for the letting of private sector properties**’. The charge for this is £9 per property advertised.

**Supplier 4**

As an agency established specifically to implement CBL, Supplier 4 sees itself as a Central Lettings Agency rather than a conventional IT developer/provider. Supplier 4 was the only supplier to evidence significant value added services in their submission. They mentioned they ‘**will facilitate the design and production of a professionally produced User Guide and also the design and production of freestheets (magazines) that can be printed professionally and distributed by around the scheme regions, or provided locally in the CBL back office so that they may be printed out by staff on demand**’. Supplier 4 also includes in its implementation cost the direct mailout of a welcome pack to all applicants just before Go Live (postage additional). This includes a copy of the user guide, a set of coupons and a letter on the organisation's letterhead, welcoming applicants to the new scheme and informing them on how they can engage.

All information for the response was contained within the assessment document spreadsheet. The Company is currently developing the following new functionality: homelessness module; private landlords module; Accessahome register for people with disability issues; Ability Housing register to record adaptations (existing and possible) for all properties held by partner schemes. The company is also enhancing the CBL Choice Manager module (e.g. re-writing the security aspect to provide greater security against all user logins) and has recently added letter generation, enhanced search facilities and Customer Relations manager that can be linked into existing CRM functionality.

Supplier 4 indicated a capacity to commence implementation within 3 weeks of being selected and anticipated a 3 to 6 month contract period dependent upon client responses and inputs. They have estimated the client input at 4 weeks for each project team member.

Several of the general questions relating to pricing were not completed (detailed breakdown) and the overall section was not clear with a different overall cost figure being given in their summary column and the system details column. Having analysed the information, it is clear that the figure in the detail is the correct one and the system cost as shown in Table 7.3 is therefore for a hosted system:
Table 7.3 – Supplier 4 cost estimates

<table>
<thead>
<tr>
<th>Hosted Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Cost (hosted back office and hosted web site)</td>
<td>£59,000</td>
</tr>
<tr>
<td>Annual support cost in first year</td>
<td>£11,000</td>
</tr>
</tbody>
</table>

The overall cost figure includes a number of additional requirements such as a mutual exchange module and automatic bidding but excludes the annual hosting fee payable to Kirklees Council of £12,000 for buying into their DigiTV hosting service.

We have therefore separated these enhancements into a ‘maximum cost estimate’ as summarised in Table 7.4.

Table 7.4 – Estimated maximum and minimum Supplier 4 costs

<table>
<thead>
<tr>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hosted</td>
<td></td>
</tr>
<tr>
<td>Summary</td>
<td></td>
</tr>
<tr>
<td>Set up costs</td>
<td>£38,600</td>
</tr>
<tr>
<td>Annual minimum</td>
<td>£11,000</td>
</tr>
<tr>
<td>Annual maximum</td>
<td></td>
</tr>
<tr>
<td>Optional extras - initial costs</td>
<td>£24,000</td>
</tr>
<tr>
<td>Optional extras - ongoing costs</td>
<td>TBD</td>
</tr>
<tr>
<td>Total</td>
<td>£49,600</td>
</tr>
</tbody>
</table>

We have also highlighted in the Annex some of the costing issues that remain with the information they supplied.

For the *hosted option*, these were: Specific costs breakdowns; Transaction take-up costs by Automated Telephone or SMS; and expenses.

It is worth noting that the Supplier 4 scheme offers all the cost pooling and standardisation advantages of joining a ‘club’ along with the disadvantages of the ‘common denominator’ should other ‘club’ members not want an enhancement that Wirralhomes has identified it requires.

Supplier 5

Supplier 5 recognises the demands of its user community to enhance the functionality of its CBL system. To some extent the Supplier 5 customer base is moving towards the requirement for a true web application and the supplier is attempting to transition their product set in this direction. The key product development issue is the extent to which processing of applications and shortlists is done in the core Supplier 5 Allocations Module and requiring CBL partners to access the Supplier 5 application as opposed to processing being undertaken outside the core application and meaning that CBL partners do not need to open a secure channel to access the Supplier 5 Housing Application.
Supplier 5 provided information on the submission spreadsheet and in several supporting documents. The Company provided a detailed explanation of how it deals with product development but did not give any indication of any specific CBL developments either current or planned within the next 12 months, as it is understood these are yet to be approved by the Supplier 5 Board.

Supplier 5 indicated a capability to commence implementation immediately after contract signing with an anticipated project timescale of 6 to 9 months. An estimate of the likely level of client input into the implementation process has yet to be made.

Supplier 5 suggested three possible options for Wirralhomes and specified indicative prices for two of them. The options are:

- **Option 1** – Wirralhomes to have a totally new CBL environment taking advantage of the licences that the Council currently holds.

- **Option 2** – Wirralhomes could work in partnership with WPH to expand the current environment to include the management of all RSL partner properties. This would offer some cost saving benefits.

- **Option 3** – Wirralhomes to have a totally new CBL environment hosted by Supplier 5. This option is not costed and would require further discussion in order to reach a price.

Their headline estimates by Supplier 5 were as shown in Table 7.5.

**Table 7.5 – Supplier 5 cost estimates**

<table>
<thead>
<tr>
<th>Non-hosted configurations</th>
<th>Basic Initial Cost</th>
<th>Annual Cost in first year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1 – Wirral MBC instance</td>
<td>£122,400</td>
<td>£15,750</td>
</tr>
<tr>
<td>Option 2 – WPH instance</td>
<td>£86,250</td>
<td>£10,750</td>
</tr>
</tbody>
</table>

**Table 7.6 – Estimated maximum and minimum Supplier 5 costs**

<table>
<thead>
<tr>
<th>Non-Hosted*</th>
<th>Min - WPH hosted</th>
<th>Max - WirralBC hosted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set up costs</td>
<td>£89,250</td>
<td>£137,400</td>
</tr>
<tr>
<td>Annual minimum</td>
<td>£11,500</td>
<td>£19,500</td>
</tr>
<tr>
<td>Optional extras - initial costs</td>
<td>£30,000</td>
<td>£22,000</td>
</tr>
<tr>
<td>Optional extras - licence costs**</td>
<td>£1,500</td>
<td>£1,500</td>
</tr>
<tr>
<td>Optional extras - ongoing costs</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£132,250</td>
<td>£180,400</td>
</tr>
</tbody>
</table>

*exclude telephony integration and hosting server hardware costs ** CTI Telephony integration licence

The costs for each option are also accompanied by a number of notes of clarification and assumptions made.
Both configurations are likely to require additional optional services (e.g. estate module reconfiguration, data migration etc) implying costs additional to the figures quoted. In order to give a better idea of these costs we have estimated a minimum and maximum range and included the anticipated consultancy and Oracle licensing costs which were treated as optional in their ‘indicative’ costings – see Table 7.6.

It should also be stressed that Supplier 5’s indicative costings exclude a key cost area which the others have included which is the telephony integration infrastructure required for automated phone and SMS text access channels. This is partly because Supplier 5 do not currently provide this service and expect their clients to put in place this infrastructure with third party companies. So for example two local authorities have both used a third party telecommunication company to provide telephony integration.

We have also highlighted in the Annex some of the Supplier 5 costing issues that remain to be resolved.

For the non-hosted option, these were: Telephony infrastructure costs, server hardware acquisition cost; would ‘Task Manager’ (workflow) also be required, training; transaction take-up costs by Automated Telephone or SMS and expenses.

**Supplier 6**

Supplier 6 offers a traditional ICT developer-based approach and list some of their key CBL clients.

Information was provided on the Market Assessment spreadsheet and in several supporting documents. Supplier 6 deals with product development on a per customer basis and the system is tailored to each individual customer. There is therefore no indication of any current planned enhancements.

Supplier 6 indicated that the project would take 4 to 6 months to implement from contract signing. They estimated a minimum client side input of five days for design of the functional specification, five days for user acceptance testing and 10 days training (times the number of staff to be trained). These requirements could be increased when the project plan and functional specification have been drawn up.

Supplier 6 gave detailed breakdown of costs within the general questions of the spreadsheet and has indicated that the overall cost could be significantly less than that quoted dependent upon the detail of the functional specification to be agreed. The overall cost estimated for a hosted system is shown in Table 7.7.

**Table 7.7 – Supplier 6 cost estimates**

<table>
<thead>
<tr>
<th>Hosted Service Initial Cost</th>
<th>Annual Cost (after first year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>£177,413</td>
<td>£29,722 (plus annual uplift based on the RPI)</td>
</tr>
</tbody>
</table>

The estimate shown in Table 7.7 is based on purchase of all of the modules required to meet the specification as it stands and in the absence of a detailed functional specification they have assumed a high level of complexity.
Within Supplier 6 submission there were price anomalies for example:

**Qu 3.19**: Please provide details of the costs of hosting the service on Wirralhomes behalf and the basis on which this is charged

Within our annual fee we supply the hardware and internet access for the live CBL system, a staging version for user acceptance testing, a secure FTP server, SMS text service and Automated Telephone service.

The annual price is as follows:

- £2,400 p.a. for the live and staging CBL server up to 5gb data traffic per month (each additional 5gb is charged at £50 per month)
- £600 p.a. for a secure FTP server
- £1,200 p.a. for an SMS text server
- £1,200 p.a. for an automated telephone system server
- All ex-VAT.

**Qu 3.7**: Please describe your recommended server configurations and provide an indicative cost

Within our annual fee we supply the hardware and internet access for the live CBL system, a staging version for user acceptance testing, a secure FTP server, SMS text service and Automated Telephone service.

The annual price is as follows:

- £3,000 p.a. for the live and staging CBL server up to 5gb data traffic per month (each additional 5gb is charged at £50 per month)
- £600 p.a. for a secure FTP server
- £1,500 p.a. for an SMS text server
- £1,500 p.a. for an automated telephone system server
- All ex-VAT.

The way in which the company has quoted makes it difficult to identify a minimum-maximum range of costs based on different options. However, it is worth noting that if we assume that the annual costs for hosting are £6,600 then annual support and maintenance costs are £30,322.

**Table 7.8 – Estimated maximum and minimum Supplier 6 costs**

<table>
<thead>
<tr>
<th>Hosted</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set up costs</td>
<td>£147,091</td>
<td>£147,091</td>
</tr>
<tr>
<td>Annual minimum</td>
<td>£30,322</td>
<td></td>
</tr>
<tr>
<td>Annual maximum</td>
<td></td>
<td>£30,322</td>
</tr>
<tr>
<td>Optional extras - initial costs</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Optional extras - ongoing costs</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£177,413</td>
<td>£177,413</td>
</tr>
</tbody>
</table>

We have also highlighted in the Annex some of the costing issues that remain with the information in the Supplier 6 submission.
For their *hosted option*, these were: Specific costs breakdowns; Transaction take-up costs by Automated Telephone or SMS; and expenses.

### 7.3 Submissions Compliance with the Functionality ‘Shopping List’

The functionality ‘shopping list’ developed from the functional requirements workshop and utilised for the market assessment comprised a total of 133 items of which 95 were considered to be essential and 38 desirable to Wirralhomes.

Clearly as the implications of this Market Assessment are absorbed and the functional requirements are further clarified and refined ahead of possible procurement, the detailed ‘market tested’ specification can be prepared which will ‘ground’ the ‘shopping list’ in the reality of available budgets and functionality available in the market place.

Despite this, it is interesting to note that the suppliers generally ‘self-assessed’ their products as having a high degree of compliance with the functionality list. However, their own assessments were frequently undermined by their summary of how their product offered the required functionality or their product development proposals, making it at times difficult to distinguish existing tangible product functionality from their ‘aspirational’ functionality. This was especially the case with Supplier 6 self-assessment.

In Table 7.9 the ‘supplier’s scoring’ initially takes each company’s self-assessment at face value, with the ‘revised scoring’ incorporating an assessment of how the company answered the questions on how their system offers the required functionality and their responses to the ‘in development’ questions. It should be noted that for a fully robust assessment to be made the supplier would need to demonstrate their product against standard evaluation scripts.

*Table 7.9 – Functionality assessment of the suppliers responding to the market assessment (based on 95 ‘essential’ and 38 ‘desirable’ requirements)*

[Table removed from this version of report]

With the exception of Supplier 5, this summary shows high levels of self-assessed compliance with the items considered to be essential in the functional shopping list. For example, three of the four companies assessed their submission as complying with more than 90 per cent of the essential requirements.

It should be noted, however that for Supplier 6, of the items where the company indicated it fully complied, 12 Essential and 14 Desirable items are indicated as being ‘added cost options’ whereas with the other companies the functionality seems to be included in the standard priced specification. Where the companies assessed themselves as not meeting the requirements, there are few instances where it is indicated that they intend to add that functionality in the near future.

A more detailed analysis of compliance of each Company against the main functional areas is provided in the spreadsheet in Annex 7.

This highlights that in some areas the ‘revised’ supplier scores bring them into closer alignment with Supplier 5’s self-assessed scoring. Supplier 4’s alignment with the
shopping list was most changed by this process, however in certain instances it was difficult to re-assess Supplier 6 submission as in some areas the ‘summary’ of how their system offered the functionality merely rephrased the original functional requirement. So it may the case that even the ‘revised score’ for Supplier 6 still overstates their submission’s compliance with the requirements. Significantly, in some instances it would appear that Supplier 5 has ‘under-assessed’ their compliance as in four instances they had assessed themselves as not meeting the requirement, while their functional answers to specific or adjacent questions suggests they at least ‘part met’ the requirement.

Our detailed assessment also shows for some areas of functionality the market offerings are not in-line with functional areas on the ‘shopping list’. Key areas where the ‘shopping list’ appears ‘ahead’ of the market seemed to be in relation to:

- Triple ‘A’ web accessibility standards, as Double ‘A’ is the market norm;
- Some of the more refined aspects of applications, verification and assessment functionality;
- Some of the more complex areas of voids edition marketing and search;
- Some of the reporting requirements requiring information from across voids editions.

However, many of the key areas of the ‘shopping list’ relating to CBL marketing, shortlisting and offer resulting would appear to have a higher degree of availability in the market place, suggesting that with some refinement the ‘shopping list’ could be a realistic basis for a more detailed functional specification.

The charts that follow, illustrate the impact of the ‘revised scoring’ process on the suppliers, and shows ‘on paper’ that Supplier 5 on the ‘essential’ assessment still had the highest number of requirements ‘not met’.

In relation to the ‘desirable’ requirements this ‘paper based’ assessment suggested that Supplier 1 and Supplier 5 were the weakest submissions (see following graphic), albeit that for the reasons given above it is likely that Supplier 6’s scoring overstates their degree of compliance. Both charts suggest that Supplier 4 had the most ‘part met’ areas functionality, implying that any procurement exercise involving a detailed assessment of their functionality would need to establish how much of the specification they really can meet.

7.4 Evaluation of the Options

It is important to stress at this stage it is not the intention to undertake an individual assessment of the suitability of a specific supplier to provide Wirralhomes with improved ICT; the purpose of the Market Assessment is to assist Wirralhomes in
understanding the functionality available, to assist in ‘indicative’ budget setting and to help underpin a subsequent formal tendering exercise.

Table 7.11 summarises for each option the ‘learnings’ from the Market Assessment exercise; it also considers other important factors having a bearing on each option and provides a summary evaluation.

- From this analysis it would appear that the following options may offer the most cost effective and best match between Wirralhomes and its partners’ functional requirements:

  - Adopt a hybrid approach using WPH’s Supplier 5 application and a third party for applications and CBL customer and RSL partner self-service (but this has not yet been costed)

  - Implement a new ‘niche’ housing applications and CBL web-based system with customer self-service hosted by Wirral MBC

  - Implement a new ‘niche’ housing applications and CBL web-based system with customer self-service hosted by a third party.

In relation to the ‘hybrid option’ it is worth noting that WPH is open to hosting the voids edition and matching service for other RSL partners – but WPH would want to review roles and responsibilities and associated Service Level Agreements in much more detail before reaching a conclusion, should this option be favoured as a possible way forward.

It should also be noted that several RSLs expressed reservations about WPH holding all partner stock data, voids, offers and lettings if extending the use of Supplier 5 emerged as the preferred option. They mentioned that they would need Board approval to proceed in some instances.
### Table 7.10 – Evaluation the options in the light of the Market Assessment and other factors:

<table>
<thead>
<tr>
<th>Ref</th>
<th>Option</th>
<th><strong>Market Assessment ‘learning’</strong></th>
<th><strong>Other factors to consider</strong></th>
<th><strong>Evaluation</strong></th>
</tr>
</thead>
</table>
| A   | Upgrade the existing WPH Supplier 5 Housing Application | May not offer as much functionality as going to a new third party supplier.  
Likely to be more expensive to implement and support that a new third niche party product.  
Likely to need the implementation of several new modules including: Supplier 5 Choice Based Lettings Front End, Supplier 5 e-Service Application Form, Supplier 5 Housing Advice Licence (and possibly Task Manager which was not costed by Supplier 5).  
Would require a third party company to provide telephony integration. | In 2006/07 WPH accounted for 62% of CBL lettings so they are the largest Wirralhomes stakeholder and benefit from being on an ‘integrated system’ with Wirralhomes.  
WPH also currently cross-subsidises the CBL service in supporting Supplier 5 for Wirralhomes and OSS use without fully recovering the costs of this support.  
Some RSL partners may be reluctant to add their properties or void editions to WPH’s system.  
WPH requirements for business process continuity should be paramount if any change is made to WPH hosting Wirralhomes ICT capability. | May not prove the most cost effective solution to Wirralhomes ICT improvement requirements.  
Might not provide WPH, other CBL RSL partners or Wirralhomes with a new improved working relationship.  
The existing issues of RSL partners reluctance to utilise VPN secure connections to WPH’s Supplier 5 instance would remain. |
<table>
<thead>
<tr>
<th>Ref</th>
<th>Option</th>
<th>Market Assessment ‘learning’</th>
<th>Other factors to consider</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Utilise and upgrade the Wirral MBC Supplier 5 Housing Application</td>
<td>May not offer as much functionality as going to a new third party supplier.</td>
<td>While giving Wirralhomes a greater degree of autonomy over its ICT it would seem to offer few benefits in comparison to a new niche housing register and CBL system as it requires the implementation of several modules and the involvement of a third party for telephony integration.</td>
<td>Unlikely to prove the most cost effective solution to Wirralhomes ICT improvement requirements.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Likely to be one of the most expensive options to implement and support.</td>
<td>As a Supplier 5 based option it would undermine the integration offered for WPH of the current hosting arrangements and so require additional interfaces to maintain.</td>
<td>The existing issues of RSL partners reluctance to utilise VPN secure connections to Wirral MBC’s Supplier 5 instance would remain.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Would need the Council to extend its licence for the Estate Module from 5,000 to 20,000 units.</td>
<td>WPH requirements for business process continuity should be paramount if any change is made to WPH hosting Wirralhomes ICT capability. WPH has by far the strongest business case for making effective interfaces.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Would require the implementation of several new modules including: Supplier 5 Choice Based Lettings Front End, Supplier 5 e-Service Application Form, Supplier 5 Housing Advice Licence (and possibly Task Manager which was not costed by Supplier 5).</td>
<td>Would avoid RSL partners needing to add their properties or void editions to WPH’s system.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Would require a third party company to provide telephony integration.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supplier 5’s stock based licensing model contributes to the anticipated considerable costs for this option.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Ref</th>
<th>Option</th>
<th>Market Assessment ‘learning’</th>
<th>Other factors to consider</th>
<th>Evaluation</th>
</tr>
</thead>
</table>
| C   | Adopt a hosted Supplier 5 option | Supplier 5 did not provide indicative ‘costings’ for this.  
Likely to have the same types of issues as option B. | Likely to have the similar factors to consider as option B, plus the clarification of Wirral MBC security strategy for third party hosted applications. | Unlikely to prove the most cost effective solution to Wirralhomes ICT improvement requirements.  
The existing issues of RSL partners reluctance to utilise VPN secure connections would remain. |
<table>
<thead>
<tr>
<th>Ref</th>
<th>Option</th>
<th>Market Assessment ‘learning’</th>
<th>Other factors to consider</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>Adopt a hybrid approach using WPH’s Supplier 5 application and a third party for applications and CBL customer and RSL partner self-service</td>
<td>This was not specifically addressed as part of the Market Assessment because it was considered as adding too much complexity to the market assessment at this stage. Presents similar issues to Option A, albeit that it could avoid needing to implement as many Supplier 5 Modules. It could also avoid the need to involve an additional third party company for telephony integration.</td>
<td>It might present a possible ‘half-way’ house approach ensuring WPH maintains its voids/allocations integration with Wirralhomes but offering RSL partners the ability to avoid having to access the Supplier 5 ‘back end’ and it could also replace the inefficient ‘Excel’ based current shortlist arrangements. Would mean that the housing register could still be processed on Supplier 5 utilising existing staff expertise (albeit that some of the functional deficiencies of the current usage of Supplier 5 [see Chapter 6] would need to be addressed). Could result in processing duplication in Supplier 5 and the third party application. The exact boundaries between the where processes take place for Wirralhomes, WPH and RSL partners would need clarification. For example would all shortlisting be done on Supplier 5 or could some of it be done on a third party application for non-WPH properties? Has been adopted as an approach elsewhere.</td>
<td>Worthy of further consideration May prove more expensive than implementing a full third party ‘niche’ housing register / CBL system and passing shortlist results back to WPH’s Supplier 5 instance. This is because there would be a degree of ‘doubling up’ of functionality. Will require Wirral MBC security strategy for third party hosted applications to be clarified. WPH would want to review roles and responsibilities and associated Service Level Agreements in much more detail before reaching a conclusion. Some RSL partners may be reluctant to add their properties or void editions to WPH’s system.</td>
</tr>
<tr>
<td>Ref</td>
<td>Option</td>
<td>Market Assessment ‘learning’</td>
<td>Other factors to consider</td>
<td>Evaluation</td>
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<tr>
<td>-----</td>
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<td>------------</td>
</tr>
<tr>
<td>E</td>
<td>Implement a new ‘niche’ housing applications and CBL web based system with customer self-service hosted by Wirral MBC</td>
<td>There would appear to be ‘niche’ suppliers offering much of the ICT functionality on the Wirralhomes ‘shopping list’. From the ‘indicative’ costings provided this could present a cheaper option that options A-D. The non-hosted indicative costs are not significantly cheaper than the hosted options from one of the suppliers, suggesting this may be more of an ICT policy matter for Wirral MBC to consider than a cost driven matter.</td>
<td>Offers a ‘fresh ICT start’ approach for all Wirralhomes partners, and being ‘web application’ based appeal to RSL partners reluctant to access Supplier 5 via a VPN. WPH requirements for business process continuity should be paramount if any change is made to WPH hosting Wirralhomes ICT capability. WPH has by far the strongest business case for making effective interfaces a pre-requisite if this option were pursued.</td>
<td>Worthy of further consideration. Will require Wirral MBC security strategy for third party hosted applications to be clarified.</td>
</tr>
<tr>
<td>F</td>
<td>Implement a new ‘niche’ housing applications and CBL web based system with customer self-service hosted by a third party.</td>
<td>There would appear to be ‘niche’ suppliers offering much of the ICT functionality on the Wirralhomes ‘shopping list’. From the ‘indicative’ costings provided this could present the cheapest option. The non-hosted indicative costs are not significantly cheaper than the hosted options from one of the suppliers, suggesting this may be more of an ICT policy matter for Wirral MBC to consider than a cost driven matter.</td>
<td>Offers a ‘fresh ICT start’ approach for all Wirralhomes partners, and being ‘web application’ based appeal to RSL partners reluctant to access Supplier 5 via a VPN. WPH requirements for business process continuity should be paramount if any change is made to WPH hosting Wirralhomes ICT capability. WPH has by far the strongest business case for making effective interfaces a pre-requisite if this option were pursued.</td>
<td>Worthy of further consideration. Will require Wirral MBC security strategy for third party hosted applications to be clarified.</td>
</tr>
</tbody>
</table>
7.5 Chapter Summary

We consider the main options for upgrading Wirralhomes ICT to improve efficiency and customer access arrangements to be to based on (a) upgrading the Supplier 5 system, (b) buying in a new third party system or (c) adopting a hybrid approach and retaining Supplier 5 for some areas of functionality, though supplemented by a third party system. In view of the Council and WPH both having a licence for Supplier 5 there are then further options in relation to which database instance to consider upgrading.

Before evaluating each of these options, the report outlines the process by which the market assessment was conducted. Based on Wirralhomes current ICT provider (Supplier 5) supplemented by suppliers with ‘niche’ reputations and credentials in offering housing register and CBL functionality, six organisation were selected and invited to participate; these included: Supplier 1, Supplier 2, Supplier 3, Supplier 4, Supplier 5 and Supplier 6. In the end Supplier 2 and Supplier 3 declined the opportunity to provide information and the assessment was based on comparing four suppliers’ offerings.

The suppliers generally ‘self-assessed’ their products as having a high degree of compliance with the functionality list. For example, three of the four companies assessed their submission as complying with more than 90 per cent of the ‘essential’ requirements. However, their own assessments were frequently undermined by their summary of functionality or their product development proposals, making it at times difficult to distinguish existing tangible product functionality from their supplier aspirations. We attempted to ‘revise’ supplier assessments of the extent of product compliance with Wirralhomes functionality requirements in the light of each company’s response to our specific questions. Once this had been achieved we found the ‘revised’ scores brought the ‘new company’ scores into closer alignment with Supplier 5’s self-assessed scoring. Supplier 4’s alignment with the shopping list was most changed by this process; however, in certain respects it was difficult to re-assess the Supplier 6 submission.

Nevertheless, many of the key ‘shopping list’ criteria relating to CBL marketing, shortlisting and offer resulting would appear to be available in the market place, suggesting that with some refinement the ‘shopping list’ could be a realistic basis for a more detailed functional specification.

Despite providing a spreadsheet with consistent cost estimation questions, a number of the suppliers failed to provide all the detail requested, making consistent comparisons difficult. We made allowance for this by trying to standardise the basis for comparison and give a minimum and maximum estimate for each supplier’s offering to give ‘indicative’ budgetary figures. On this basis we found the lowest estimated price was in the region of £50,000 for a ‘no frills’ hosted lettings service from Supplier 4 and the upper estimates were approximately £180,000 for a Supplier 5 or Supplier 6-based system. Supplier 1 seemed to offer a ‘mid’ market price estimation. We identify that further work is required in refining the functional specification and supplier cost assumptions and estimates before firm procurement budgets should be set.
At this stage of the Review it was not the intention to undertake an individual assessment of the suitability of a specific supplier to provide Wirralhomes with improved ICT; the purpose of the Market Assessment is to assist Wirralhomes in understanding the functionality available, to assist in ‘indicative’ budget setting and to help underpin a subsequent formal tendering exercise.

Bringing together the ‘learnings’ from the Market Assessment exercise; other important factors having a bearing on each upgrade option the report provides a summary evaluation. From that analysis the options which seem to offer the most cost effective and best match between Wirralhomes and its partners’ functional requirements, are options:

(i). Adopting a hybrid approach using WPH’s Supplier 5 application and a third party for applications and CBL customer and RSL partner self-service

(ii). Implementing a new ‘niche’ housing applications and CBL web-based system with customer self-service hosted by Wirral MBC

(iii). Implementing a new ‘niche’ housing applications and CBL web-based system with customer self-service hosted by a third party.

During the review the ‘hybrid’ approach was not specifically costed as part of the Market Assessment because it was considered as adding too much complexity during the assessment exercise. Indeed its significance as a possible option only became clear once the relatively high costs of a full Supplier 5 based solution were known. It is put forward as an option worthy of consideration because it has been adopted elsewhere and presents a possible ‘half-way’ house approach. It could ensure that WPH maintains its voids/allocations integration with Wirralhomes while offering RSL partners the ability to avoid having to access the Supplier 5 ‘back end’. It could also replace the inefficient ‘Excel’ based current shortlist arrangements. If adopted it would also mean that the housing register could still be processed on Supplier 5 utilising existing staff expertise (albeit that some of the functional deficiencies of the current usage of Supplier 5 [see Chapter 6] would need to be addressed). To consider this option further will require more detailed discussions with Supplier 5 and WPH and detailed costings.
8. Conclusions and Recommendations

8.1 Conclusions

This section pulls together and reflects on the research findings outlined in Chapters 2-7. In doing so, it is structured under headings which reflect the main issues for the research as outlined in the project brief.

Scheme Scope

By comparison with many other ‘CBL partnerships’, Wirralhomes is fairly comprehensive in that it incorporates a substantial number of RSLs who see themselves as ‘full participants’ (rather than, for example, contributing only that proportion of lets linked with nomination obligations). Only two RSLs with a significant presence in the Wirral currently remain outside the scheme and it is understood that, partly due to contacts made in the course of this research, each of these has indicated an interest in participating in Wirralhomes at least on an experimental basis.

Beyond this, Wirral Council aspires to expand CBL to encompass lets by private landlords. Translating this into practice would mark out Wirralhomes as a leading scheme in the national context because – as confirmed by our survey results – whilst many authorities have talked positively about doing so few have actually done it. Linking the scheme with landlord accreditation and offering access to advertising as a reward for high standard provision would seem a good way forward here.

Only if they were included in paid-for press advertising does it seem likely that significant additional costs would arise from private let ads being accepted for placement alongside those for social housing vacancies. It is also doubtful that such a venture could be expected to generate any significant revenue income and for this reason it is suggested that the service should be offered – at least experimentally – to accredited private landlords without charge.

None of the parties to Wirralhomes has expressed any great enthusiasm for expanding the scope of the scheme beyond the Wirral itself. Whilst central government funding for sub-regional CBL development has been available since 2005, Wirral Council and some of the Wirralhomes partner RSLs are signatories to the recently successful sub-regional CBL bid. However, there is a view that both Wirral’s peculiar geography and the existence of local authority-specific schemes elsewhere in Merseyside could make participation in a sub-regional scheme problematic. There may be an opportunity for this review to benefit the sub-regional initiative. Also, whilst the geographical links between the Wirral and Ellesmere Port & Neston could have made this a logical CBL collaboration, the recently-announced decision to create a unitary council for West Cheshire has effectively ruled out this option.

The scheme’s scope in terms of classes of housing applicants is, however, a live issue and one where there are calls for change. In the context of other CBL schemes across the country, Wirralhomes is unusual in that it excludes statutory homeless applicants from participation. It is recognised that the inclusion of this group poses certain risks and challenges but, as demonstrated elsewhere, these should not be insuperable. It is, however, acknowledged that one specific limitation here is the likelihood that such a
change would generate some increase in homelessness case officer workload due to the greater need for active ‘case management’. The scale of any such increase needs to be assessed by the Council and weighed against prospective staff time savings which ought to be achievable through renewing the Wirralhomes software infrastructure.

Scheme Governance

The Wirralhomes scheme is to an extent unusual among those in larger urban settings in that it is run by the post-transfer local authority on behalf of RSL partners, rather than by the transfer RSL. However, there seems no great desire for this to change. Wirral Council has not indicated any wish to dispense with this operational role; neither have any of the partner RSLs called for such a move. For the Council, the management of Wirralhomes enables the retention of a strong presence in the housing system and provides a vehicle for addressing strategic housing issues including meeting homelessness demand and (at least potentially) pushing up management standards in the private rented sector (see above).

Like some but by no means all peer CBL schemes, Wirralhomes has an active Steering Group where matters of common interest can be discussed. However, there could be a case for greater formalisation of Steering Group activity and procedures – e.g. an elected and rotating chairperson, periodic ‘update reports’ to relevant Council and RSL committees. Such a change might counter any tendency under current arrangements for Wirralhomes to be seen to be steered by the Council’. At the same time, however, the Council as service provider has a right to expect all participating RSLs to stake a formal commitment to participation under a documented arrangement incorporating (as a failsafe) a notice period for proposed withdrawal. To facilitate effective financial planning, we would suggest that a 12-month period be stipulated here.

The Wirralhomes Steering Group is the forum at which all issues relating to the partnership can be raised for discussion by member RSLs and the Council. There could be a case for following the example of Bradford where there are two parallel groups – one to handle ‘strategic issues’ (e.g. budget, cost-sharing, scheme scope) and one to cover operational matters. There is considerable support for this approach among Wirralhomes partner RSLs. Whilst it could imply doubling the current number of meetings that need not be the case because it might be appropriate for such groups (particularly that focusing on strategy) to meet less frequently than the existing Steering Group.

The Level of Service that Modern CBL Systems Offer to Customers

National survey results confirm the near-universal provision of web-based bidding within CBL systems run elsewhere (see Table 5.3). In some cases additional customer-oriented functionality is offered by systems which display the existing numbers of (online) bids placed on the specific property or advise a potential bidder of their own rank order position should they opt to place a bid themselves.

A facility for automated telephone bidding is somewhat less common among CBL systems run in other areas, though we would see this as a feature which should certainly be considered for the re-vamped Wirralhomes ICT infrastructure. As well as
helping to economise on staff time, this should be seen as an important means of cost-effectively promoting access for people lacking access to the internet and, especially, those with sight impairment or poor literacy.

Potentially, the facility for online bidding also contributes to cost-effectiveness, since the marginal costs of true web-based bids are minimal. It should, however, be acknowledged that such potential remains partially unrealised for some other schemes because limited technical sophistication means that online bids still need to be ‘manually’ transferred onto the main system at the end of each advert/bid cycle.

Value for Money Considerations

None of the parties to this research was in any doubt that the existing Wirralhomes operation offers relatively poor value for money thanks to the staff-intensive nature of scheme processes. That this situation results from the system’s unsophisticated ICT infrastructure was not disputed. It became clear from our Wirralhomes staff ‘shadowing’ fieldwork and from contacts with partner RSLs that some of the technical measures introduced in an attempt to remedy system failings had enjoyed only limited success. This would be true, for example, of the VPN arrangements set up to enable RSLs outside the Wirral MBC network to access Supplier 5. Numerous respects in which the current system necessitates heavy demands on staff time are instanced in Chapter 3.

It would appear that concerns over VFM may be a key factor which has discouraged some Wirralhomes partner RSLs from signing the management agreement drawn up in 2004. Given the ongoing waste of staff resources inherent in working with the existing ICT infrastructure, procurement of an enhanced system is an urgent necessity.

An understandable source of dissatisfaction on the part of WPH is that, as a contributor to overall Wirralhomes costs, the association is contributing to the costs of staff time entailed in the particularly labour-intensive process of letting non-WPH vacancies (because only WPH void editions are held on Supplier 5).

Other partners operating regionally stressed a view that the Wirralhomes service is expensive in comparison with other schemes with charges such as St Helens and Sefton. For example, Arena questioned why it should pay the same contribution rate to Wirralhomes (where it has 315 units) as it does to Warrington where it has 1,200 units. They also mentioned that Sefton is reducing their charge to Arena in the light of this landlord having a lower than anticipated number of void properties requiring marketing.

Cost-sharing

How CBL scheme costs are shared between local authorities and housing associations can be a particularly problematic matter in CBL partnerships where the local authority has ceased to operate as a landlord in its own right, since this rules out the option of simply sharing costs pro rata to housing stock or lettings.

Investigation of the ways that this issue is handled in other post-transfer areas, whilst interesting, reveals no single dominant and consensually agreed model. In relatively few schemes does it appear that there is a clear and logical rationale underpinning
current approaches. However, whilst it is practised in only a few areas, the cost-sharing model involving local authority responsibility for register management alongside housing association liability for all lettings-related costs looks like the neatest and most logically defensible cost-sharing rationale from a council viewpoint.

In the Wirral context it is not an entirely straightforward matter to split costs according to the register management/lettings-related activities division. This is because the relevant activities are undertaken in relatively integrated way by a single group of staff. Based on initial estimates provided by Wirral Council, Table 8.1 shows how such a split might result here. In all, housing register costs are estimated as accounting for some £151,000 – or 37 per cent of the total.

**Table 8.1 – Wirralhomes costs split according to overall function**

<table>
<thead>
<tr>
<th>Costs</th>
<th>Budget estimates 2007/08</th>
<th>A: Register management costs (%)</th>
<th>B: Lettings-related costs (%)</th>
<th>Cost of A</th>
<th>Cost of B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees total</td>
<td>249,260</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td>173,260</td>
<td>40</td>
<td>60</td>
<td>69,304</td>
<td>103,956</td>
</tr>
<tr>
<td>Managers</td>
<td>76,000</td>
<td>50</td>
<td>50</td>
<td>38,000</td>
<td>38,000</td>
</tr>
<tr>
<td>Travel</td>
<td>4,980</td>
<td>50</td>
<td>50</td>
<td>2,490</td>
<td>2,490</td>
</tr>
<tr>
<td>Supplies</td>
<td>61,761</td>
<td>100</td>
<td>-</td>
<td>61,761</td>
<td></td>
</tr>
<tr>
<td>Postage</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stationery general</td>
<td>398</td>
<td>40</td>
<td>60</td>
<td>159</td>
<td>239</td>
</tr>
<tr>
<td>Printing</td>
<td>1,100</td>
<td>50</td>
<td>50</td>
<td>550</td>
<td>550</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>1,142</td>
<td>40</td>
<td>60</td>
<td>457</td>
<td>685</td>
</tr>
<tr>
<td>Miscellaneous expenses (mainly. housing register renewals)</td>
<td>12,062</td>
<td>80</td>
<td>20</td>
<td>9,650</td>
<td>2,412</td>
</tr>
<tr>
<td>Supplier 5 fees</td>
<td>1,928</td>
<td>40</td>
<td>60</td>
<td>771</td>
<td>1,157</td>
</tr>
<tr>
<td>IT consultancy</td>
<td>0</td>
<td>40</td>
<td>60</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mobile phones</td>
<td>42</td>
<td>40</td>
<td>60</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td>Support</td>
<td>74,263</td>
<td>40</td>
<td>60</td>
<td>29,705</td>
<td>44,558</td>
</tr>
<tr>
<td>Medical screening</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total costs</td>
<td>406,935</td>
<td></td>
<td></td>
<td>151,103</td>
<td>255,833</td>
</tr>
<tr>
<td>Overall percentage</td>
<td></td>
<td></td>
<td></td>
<td>37%</td>
<td>63%</td>
</tr>
<tr>
<td>Overall percentage adjusted to reflect register management service being provided to RSLs</td>
<td></td>
<td></td>
<td></td>
<td>19%</td>
<td>81%</td>
</tr>
</tbody>
</table>

Arguably, however, the Council’s role in managing a single register amounts to the provision of a service to RSLs as well as a means of discharging the Council’s own strategic housing responsibilities. On this basis it could be argued that the cost of register management should be split equally between the Council and RSLs. This would result in a Council obligation to underwrite 19 per cent of total Wirralhomes costs, quite close to the proportion of costs actually met by Wirral Council in 2005/06 (21 per cent).

The RSL share of total costs could most simply be split according to each RSL’s share of total RSL housing stock in Wirral. More sophisticated approaches could adopt the model used in St Helens and other areas where RSL contributions are made up of two
distinct elements – an annual ‘membership fee’ (e.g. based on stock numbers) and a ‘per advert’ charge.

To provide a stable basis for budget planning we would suggest that the parties agree on a Wirral Council/RSLs percentage split to be used for a set number of years – say five. However, with the anticipated installation of upgraded ICT in 2008/09 provision should be made to review the split between registration-related and lettings-related staff time commitments once the new system is functioning effectively. It could be that this will change the proportion of total staffing costs attributable to registration functions.

Another key point which needs to be taken into account here is liability for system development investment. The annual budget estimates used as the basis for Wirralhomes cost-sharing (e.g. as in Table 8.1) make no provision for this. Clearly, a significant ‘capital investment’ in system upgrading is now long overdue. It is understood that Wirral Council has allowed for some expenditure under this heading. However, while some stakeholders may have assumed that the required investment would be funded entirely by Wirral Council as ‘scheme lead organisation’ it is understood that no firm commitment has been made to this effect.

Given the commitment to running Wirralhomes as a partnership venture, there is a need for a mechanism to share these costs. The simplest way of doing this would be for all parties to contribute at the outset. A model for this is shown in Table 8.2. Here, it is assumed that the Council’s share would be 19% of the total (see above), with each participating RSL making a contribution to the remaining 81% of costs based on its share of total RSL partner housing stock in 2007/08. Two different ‘total capital cost’ figures are exemplified, £100k and £120k.

**Table 8.2 Exemplification for System Development Investment Cost Sharing**

<table>
<thead>
<tr>
<th>2007/08 housing stock dwellings</th>
<th>Cost share - £100k (£000s)</th>
<th>Cost share - £120k (£000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arena</td>
<td>315</td>
<td>1.3</td>
</tr>
<tr>
<td>Leasowe CH</td>
<td>981</td>
<td>3.9</td>
</tr>
<tr>
<td>CDS</td>
<td>64</td>
<td>0.3</td>
</tr>
<tr>
<td>Hornby</td>
<td>117</td>
<td>0.5</td>
</tr>
<tr>
<td>Cosmopolitan HA</td>
<td>182</td>
<td>0.7</td>
</tr>
<tr>
<td>Maritime</td>
<td>1,297</td>
<td>5.2</td>
</tr>
<tr>
<td>Riverside (Bridge Division)</td>
<td>1,997</td>
<td>8.0</td>
</tr>
<tr>
<td>Venture</td>
<td>475</td>
<td>1.9</td>
</tr>
<tr>
<td>BBCHA</td>
<td>889</td>
<td>3.6</td>
</tr>
<tr>
<td>LHT (Rodney Housing Division)</td>
<td>376</td>
<td>1.5</td>
</tr>
<tr>
<td>Wirral Methodist</td>
<td>610</td>
<td>2.4</td>
</tr>
<tr>
<td>Wirral Partnership Homes</td>
<td>12,980</td>
<td>51.8</td>
</tr>
<tr>
<td><strong>Sub-total - RSLs</strong></td>
<td>20,283</td>
<td><strong>81.0</strong></td>
</tr>
<tr>
<td>Wirral Council</td>
<td>0</td>
<td>19.0</td>
</tr>
<tr>
<td><strong>Overall total</strong></td>
<td>20,283</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Table 8.3 – Projected future Wirralhomes costs and contributions – illustrative exemplification

(a) Costs as incurred

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue cost (000s)</th>
<th>Capital cost (000s)</th>
<th>Total cost (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/08</td>
<td>407.0</td>
<td>0</td>
<td>407.0</td>
</tr>
<tr>
<td>2008/09</td>
<td>417.2</td>
<td>100</td>
<td>517.2</td>
</tr>
<tr>
<td>2009/10</td>
<td>427.6</td>
<td>0</td>
<td>427.6</td>
</tr>
<tr>
<td>2010/11</td>
<td>438.3</td>
<td>0</td>
<td>438.3</td>
</tr>
<tr>
<td>2011/12</td>
<td>449.3</td>
<td>0</td>
<td>449.3</td>
</tr>
<tr>
<td>2012/13</td>
<td>460.5</td>
<td>0</td>
<td>460.5</td>
</tr>
<tr>
<td><strong>Total 2008/09-2012/13</strong></td>
<td><strong>2,192.8</strong></td>
<td><strong>100.0</strong></td>
<td><strong>2,292.8</strong></td>
</tr>
</tbody>
</table>

(b) Costs as accounted for

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue cost (000s)</th>
<th>Capital cost (000s)</th>
<th>Total cost (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/08</td>
<td>407.0</td>
<td>-</td>
<td>407.0</td>
</tr>
<tr>
<td>2008/09</td>
<td>417.2</td>
<td>20.0</td>
<td>437.2</td>
</tr>
<tr>
<td>2009/10</td>
<td>427.6</td>
<td>20.0</td>
<td>447.6</td>
</tr>
<tr>
<td>2010/11</td>
<td>438.3</td>
<td>20.0</td>
<td>458.3</td>
</tr>
<tr>
<td>2011/12</td>
<td>449.3</td>
<td>20.0</td>
<td>469.3</td>
</tr>
<tr>
<td>2012/13</td>
<td>460.5</td>
<td>20.0</td>
<td>480.5</td>
</tr>
<tr>
<td><strong>Total 2008/09-2012/13</strong></td>
<td><strong>2,192.8</strong></td>
<td><strong>100.0</strong></td>
<td><strong>2,292.8</strong></td>
</tr>
</tbody>
</table>

(c) Cost contributions

<table>
<thead>
<tr>
<th>Year</th>
<th>Wirral Council (000s)</th>
<th>%</th>
<th>RSLs (000s)</th>
<th>%</th>
<th>Total (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>163.1</td>
<td>31.5</td>
<td>354.1</td>
<td>68.5</td>
<td>517.2</td>
</tr>
<tr>
<td>2009/10-2012/13</td>
<td>272.6</td>
<td>15.4</td>
<td>1,503.1</td>
<td>84.6</td>
<td>1,775.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>435.6</td>
<td>19.0</td>
<td>1,857.2</td>
<td>81.0</td>
<td>2,292.8</td>
</tr>
</tbody>
</table>

Alternatively, if it was decided that the proposed system development investment is to be funded by a single party – e.g. Wirral Council – it would be appropriate to devise a cost sharing formula under which the other partners ‘repay’ their share over a fixed time period. This could be achieved by annualising such costs over, say, five years. The effect would be to incorporate system development costs within shared annual scheme costs with annual member charges therefore including an element to fund such expenditure. The exemplification for the period 2008/09-2012/13 and set out in Table 8.3 assumes:

- running cost increases of 2.5% annually over the period (in practice, it would be hoped that installing an upgraded ICT system would generate scope for revenue cost savings)
• a capital investment of £100k by Wirral Council in 2008/09, with this being accounted for over five years

• an agreed ‘fair share’ for Wirral Council set at 19% of total costs over the period.

The exemplification is simplistic in that no account is taken of the cost of capital (which would imply the need to apply a discount rate to any upfront investment). However, as shown in Table 8.3(c) a disproportionate Wirral Council contribution in Year 1 is compensated in years 2-5 by larger RSL revenue contributions.

Whilst the exemplification in Table 8.3 assumes capital investment being made exclusively by Wirral Council, it is recognised that this may not be reflected in practice. The purpose of the table is simply to illustrate an approach to reconciling revenue and capital contributions in a way which is fair to all parties. In a modified form the approach could be used to accommodate investment by two or more Wirralhomes stakeholders.

It is also important to recognise that Wirral Council and Wirral Partnership Homes currently contribute to the service in ways which are unrecognised so far as cost-sharing is concerned. In the Council’s case, the role of One Stop Shops in registering applications and receiving bids is not accounted for in the official Wirralhomes budget. We would, however, envisage that ICT enhancement to facilitate online registration and bidding will substantially reduce existing calls on One Stop Shop staff time.

Likewise, WPH contribution to Wirralhomes includes the staff time of expert ICT officers as well as the association’s annual cash submission. If this is to continue under the new regime (post-ICT enhancement) it may be appropriate for such costs to be itemised and recharged to the project.

Clearly there is room for further discussion about exactly how the suggested formula could be operationalised in Wirral, even if there is agreement that differentiating register management and lettings-related costs is a generally acceptable model for determining the overall Council/RSL cost split.

Devising tariff-based costing regime, as suggested by some partner RSLs (see Chapter 3) could also be considered and might also be based on the rationale developed above. Nevertheless, such a regime would be inherently more complex as well as being more difficult to model in advance of any discussions as to which functions might be considered as ‘part of the basic service’ and which ‘exceptional items’. We would suggest that the next phase of cost-sharing discussions assume a common yardstick for determining RSL contributions – probably pro rata to housing stock. If there is widespread support for the tariff-based concept, this should be explored at a later stage – e.g. in advance of calculations to underpin cost shares for 2009/10.

Providing a More Effective Service to Vulnerable Customers and Diverse Groups

The Wirralhomes already incorporates substantial ‘extra help’ for vulnerable applicants as provided through Vulnerable Team staff. However, there is an argument that all Urgent Need applicants should be considered for this ‘enhanced service’ and a view that this function should have ‘first call’ on staffing resources freed up through
the replacement of the current inefficient software infrastructure. Additionally, of key importance will be incorporating these considerations within the ICT system specification to be developed for the planned system procurement exercise.

8.2 Recommendations

(a). There should be consideration of re-integrating homeless households within the Wirralhomes scheme

(b). Expand the scope of the Wirralhomes scheme to include accredited private landlords to be offered an advertising service at no cost (providing that consequential marginal costs for the Council are minimal)

(c). Consider widening bid eligibility to permit migrant workers to bid for difficult to let properties offered on ‘first come first served’ basis;

(d). Consider commissioning a Wirral-wide Best Value review of sheltered accommodation;

(e). Progress further integration of the Disabled Person’s Housing Register (DPHR) into Wirralhomes;

(f). Review governance arrangements for Wirralhomes including consideration of:
   (i). more formalised arrangements for the conduct of partner agency meetings
   (ii). creation of a Strategic Steering Group and a Practitioners’ Forum;
   (iii). including customer representation within the governance structure;
   (iv). renaming the scheme to stress its autonomy from both Wirral Council and Wirral Partnership Homes;

(g). Wirralhomes and RSL partners should consider developing service standards with a customer focus group;

(h). Consider arranging an event to publicise the outcomes of the Review and to launch a service standards development process;

(i). Review the current Housing Register application form and associated data capture and processing arrangements;

(j). In view of the level of potential partner support for moving away from advertising in the Wirral Globe to a more direct marketing approach, it is recommended that Wirralhomes explores this model bearing in mind:
   (i). the need for compliance with Audit Commission KLOE 7;
   (ii). the possibility that additional expenditure on improved publicity for limited circulation might be required and could offset some of the savings potentially arising from abolition of paid-for press advertising;
(k). Ensure that data sharing of personal information is conducted within the Data Protection Act and organisational confidential policies, it is recommended that Wirralhomes establishes an information sharing protocol with RSL partners to underpin all areas of its activity;

(l). Recognise that if Wirralhomes adopts more sophisticated service standards it will necessitate improvements in the information given on service outcomes;

(m). The following should be borne in mind in developing the cost sharing basis for the Wirralhomes scheme in the light of this review. The basis of cost sharing should:

(i). Be transparent in relation to the costs (including recharges) for statutory housing allocations scheme functions and CBL business processes;

(ii). Be fair in relation to the Council covering statutory housing allocation scheme costs;

(iii). Continue to adopt a proportionality approach, and dispense with the previous system of fixed stockholding-based charges;

(iv). Examine the practicality of a fixed base annual ‘Wirralhomes’ membership fee and variable ‘voids transactions costs’ (along the lines of the St Helens scheme);

(n). To form the basis for sustainable cost-sharing, Wirralhomes partners should explore the utility of a model where overall scheme costs are split to reflect the distinction between activities associated with register maintenance and those which are ‘lettings-related activities’. In our view this is preferable to alternative approaches adopted by some CBL partnerships involving post-transfer LAs – e.g. where costs are shared on a 50/50 basis between local authority and the main stock transfer RSL, or where the Council’s share of costs is fixed with reference to the proportion of lettings involving statutory homeless cases.

(o). The partners need to agree liability for the system development costs which will be incurred as a result of overhauling the Wirralhomes IT infrastructure and software. This should incorporate a mechanism to ensure that all partner organisations contribute to these costs on an equitable basis (see Tables 8.2 and 8.3 and accompanying text).

(p). For the longer term consideration should be given to adopting a service model and associated costing regime based on a tariff of services where:

(i). ‘additional service’ options are offered for individual RSLs to ‘buy into’;

(ii). RSL partners agree the services offered and the associated charges.

(q). Develop activity based costing analysis to inform the business case for ICT investment focusing especially on the inefficiencies of the Excel based shortlists and the costs generated by the absence of customer self-service
(r). In developing and securing approval for the business case for Wirralhomes procuring additional ICT functionality the following should be valued:

(i). Current transaction costs of existing ways of working based especially on the inefficiencies of the Excel based shortlists and the costs generated by the absence of customer self-service;

(ii). WPH’s current true cost contribution to Wirralhomes operations including its full ICT support costs

(iii). Specific interface requirements within the procurement, including source property data, void editions data, shortlists and shortlist/offer results.

(s). Develop and secure approval for a Project Mandate to outline an agreed procurement scope and strategy. This to include:

(i). The scope of the procurement and whether it is restricted to the options that emerged from the ‘market informed’ evaluation in this report (i.e. to either adopt a hybrid procurement approach and supplement WPH’s Supplier 5 instance with ‘niche’ third party functionality or to procure full ‘niche’ functionality as either a hosted or non-hosted application.)

(ii). The approach to Northern Housing Consortium CBL partnering option;

(iii). Whether to adopt an or ‘open’ or ‘closed’ OJEU procurement approach;

(iv). Whether to use a traditional Invitation to Tender approach or whether to utilise an ‘Invitation to Negotiate’ approach.

(v). The procurement timetable and evaluation framework.

(t). Convert the current Wirralhomes functional ‘shopping list’ into a full specification and prepare procurement documentation. This to include:

(i). Drafting and issuing a pre-Qualification Questionnaire.

(ii). Reviewing those items on the current functional list which current market offerings seem unable to met;

(iii). Refining the detail on some items of functionality and reviewing whether items are ‘essential’ or ‘desirable’;

(iv). Providing a clear statement of required interfaces;

(v). Estimating transactions metrics across possible customer self-service channels;

(vi). Bulking up the functional requirements in relation to job role security, appropriate segregation of duties, audit log functionality and secure data hosting and transfer requirements;
(vii). Securing sign-off from appropriate decision fora for the procurement documentation (i.e. the Wirralhomes Steering Group and appropriate Council approvals).
Annex 1 – National Survey of CBL Partnerships - Questionnaire

CBL scheme lead organisation: 

Local authority area: 

1) What geographical area does your CBL scheme cover? (check one) 
   *e.g. sub-area of your LA or grouping of two or more LAs*
   - LA area 
   - Other* 

2) How many housing associations participate in your CBL scheme? 

3) Do HAs participating in the scheme generally (tick one) 
   (a) Let all (or virtually all) local vacancies via the scheme 
   (b) Offer for advertising only vacancies made available for LA nominations 
   (c) Other – please specify below 

4) To what extent is the CBL scheme a full ‘partnership’? (check one) 
   (a) The scheme is governed by a board/steering group representing scheme participants on an 
      equal basis and with full decision-making powers 
   (b) A steering group exists to represent all scheme participants but the final say on decisions 
      rests with the scheme lead organisation 
   (c) The scheme lead organisation effectively retains responsibility for operational decisions, 
      though in consultation with other participating HAs 
   (d) Other – please summarise below 

5) Are HA partners tied into the ‘partnership’ via a documented contract or similar? (check one) 
   (a) All HAs 
   (b) Some HAs 
   (c) No HAs (arrangement entirely informal) 
   If this is a ‘formal partnership’, what is the notice period for withdrawal? 

6) Are any significant changes to CBL scheme governance arrangements currently planned? – if yes, please summarise below: 

7) Does the local authority contribute to scheme running costs? 
   - Yes 
   - No 

8) How do participating HAs contribute to scheme running costs? 
   - All HAs contribute 
   - Some HAs contribute 
   - No HAs contribute 

9) If CBL running costs are shared, which of the following models is used? (check one) 
   (a) Housing register maintenance costs paid by LA, lettings-related costs shared by HAs based on formula 
   (b) All register maintenance costs and lettings-related costs shared by LA and HAs according to formula 
   (c) Other – please summarise below 

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10) If your CBL scheme involves a cost-sharing formula, please summarise this below:


11) In what year was your CBL scheme established?


12) Approximately what were the start-up costs for your CBL scheme and how were these funded?

<table>
<thead>
<tr>
<th>Funding source</th>
<th>(000)</th>
<th>Funding source</th>
<th>(000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local authority</td>
<td></td>
<td>Other (please specify below)</td>
<td></td>
</tr>
<tr>
<td>ODPM/CLG</td>
<td></td>
<td>Housing association(s)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total start-up costs</td>
<td></td>
</tr>
</tbody>
</table>

Of these start-up costs what was the total attributable to ICT?(000) 


13) How many homes were let through your CBL system in 2006/07?


14) Do ‘total running costs’ figures above include the maintenance of a central applicants register?
Yes □ No □

15) Are any changes to your CBL system currently planned which are likely to significantly affect overall scheme costs or cost sharing arrangements? – If yes, please summarise below


16) Which company is your CBL system software supplier and what software application are you using?
Company
Software application


17) Does your current CBL software provide:
   (a) Interactivity for users – web based online bidding       Yes □ No □
   (b) Interactivity for users – automated phone lines bidding Yes □ No □
   (c) Effective interfaces with partner HA IT systems        Yes □ No □
   (d) Effective interfaces with the local authority’s own strategic systems? Yes □ No □
       If yes, which systems (e.g. Land & Property Gazetteer, Council Tax, Housing Systems etc)
   (e) Flexibility in specifying reports/analyses               Yes □ No □

18) Are any changes to your CBL system currently planned which are likely to significantly enhance system functionality? – If yes, please summarise below:


19) Do properties advertised under your CBL system include private rented dwellings?
Yes □ No, but planned □ No □

20) If private rented properties are advertised under your CBL system are there any rules on what properties


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can be advertised?
Yes – accredited landlords only – please specify below brief details of accreditation criteria
Yes – other eligibility conditions – please specify below
No – open access to any landlord wishing to participate

21) If private rented properties are advertised under your CBL system how do private landlords contribute to the cost of the service?

- Landlords not charged
- Landlords charged fixed ‘per advert’ fee
- Other – please specify below

22) If private landlords contribute to the cost of the service what is the basis for calculating charges/contributions?

THANKS FOR YOUR HELP
### Annex 2 – Respondents in National Survey of CBL Partnerships

<table>
<thead>
<tr>
<th>Local authority area</th>
<th>CBL Scheme Lead Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bath &amp; NE Somerset Council</td>
<td>Bath &amp; NE Somerset Council</td>
</tr>
<tr>
<td>Blackburn with Darwen Council</td>
<td>Twin Valley Homes</td>
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<tr>
<td>Boston BC</td>
<td>Boston BC</td>
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<tr>
<td>Bradford MBC</td>
<td>Bradford CHT</td>
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<tr>
<td>Eastleigh BC</td>
<td>Eastleigh BC</td>
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<tr>
<td>Herefordshire Council</td>
<td>Herefordshire Council</td>
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<td>Kennet DC</td>
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<tr>
<td>Lichfield DC</td>
<td>Homezone Housing</td>
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<tr>
<td>Middlesbrough Council</td>
<td>Eremis Housing</td>
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<tr>
<td>Restormel DC</td>
<td>Ocean Housing</td>
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<tr>
<td>Reigate &amp; Banstead BC</td>
<td>Reigate &amp; Banstead BC</td>
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<tr>
<td>Rushmoor BC</td>
<td>Rushmoor Borough Council</td>
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<tr>
<td>Sefton BC</td>
<td>One Vision Housing</td>
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<td>South Shropshire HA</td>
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<tr>
<td>St Helens MBC</td>
<td>Helena Housing</td>
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<td>Riviera Housing Trust</td>
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<td>Walsall Housing Group</td>
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<td>Vale of White Horse DC</td>
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<tr>
<td>West Wiltshire DC</td>
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