

TEWKESBURY BOROUGH COUNCIL

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| Report to: | Executive Committee |
| Date of Meeting: | 21 November 2018 |
| Subject: | Joint Core Strategy - Preferred Registered Providers |
| Report of: | Strategic Housing and Enabling Officer |
| Corporate Lead: | Head of Community Services |
| Lead Member: | Lead Member for Built Environment |
| Number of Appendices: | Three |

Executive Summary:

An Affordable Housing Partnership made up of the three Local Housing Authorities across the Joint Core Strategy (JCS) area was formed to oversee the delivery, allocation and management of affordable housing on the Strategic Allocations.

The aim of the Affordable Housing Partnership will continue to be, for the three Authorities, to work collaboratively to oversee the delivery of new affordable homes and to manage cross-boundary lettings arrangements.

In order to support these outcomes, Registered Providers with an interest in delivering and/or managing new affordable housing within the JCS area's Strategic Allocations were assessed. They have had to demonstrate to the Affordable Housing Partnership's satisfaction that they meet minimum acceptable standards in delivering services such as housing management and community involvement. A list of the Affordable Housing Partnership's current 10 Preferred Registered Providers can be found in Appendix 3.

These Registered Providers were assessed in accordance with the evaluation criteria set out in Appendix 2 to become 'Preferred Registered Providers'.

Developers will be urged to work with the Affordable Housing Partnership's Preferred Registered Providers on the delivery of new affordable housing across the Strategic Allocations through their s.106 negotiations.

It was previously agreed that the Preferred Registered Provider list will be reviewed by way of a further re-tender every five years; or sooner if agreed by the Affordable Housing Partnership. The decision whether to continue having a Preferred Registered Provider list will also be reviewed every five years by the Affordable Housing Partnership. If the decision is to continue, the JCS Authorities will carry out a further exercise to re-compile a Preferred Registered Provider list.

Recently, further Registered Providers have approached the Affordable Housing Partnership with an interest in becoming Preferred Registered Providers. The Affordable Housing Partnership has considered how best to assess these 'new' Registered Providers. One option would be to re-evaluate the whole list of Preferred Registered Providers based on previous criteria including any new providers. Another option would be to carry out a new selection process for the whole group. The Affordable Housing Partnership decided that this would be an unnecessary process to apply to the current Preferred Registered Providers, especially as there has been no delivery on Strategic Allocation sites to date that the Preferred Registered Providers can be measured on.

An alternative option agreed by the Affordable Housing Partnership and current Preferred Registered Providers is to ask any interested Registered Providers to go through the original assessment criteria to evaluate their suitability. This would bring new providers into the arrangement on the same basis as the existing ones and arrangements would then be reviewed in their entirety as per the timescales agreed previously.

N.B. This comes at a time when Severn Vale Housing Society and Merlin Housing Society will be merging with Bromford Housing Group so in the future there would be two fewer Preferred Registered Providers in the group.

Recommendation:

- 1. To DELEGATE AUTHORITY to the Head of Community Services to evaluate and select additional Preferred Registered Providers for the delivery and/or management of new affordable housing on the Strategic Allocation Sites.**
- 2. To DELEGATE AUTHORITY to the Head of Community Services, in consultation with the Lead Member for Built Environment, to make further operational decisions within the Affordable Housing Partnership.**

Reasons for Recommendation:

By allowing new Registered Providers to join the Preferred Registered Providers group, the Affordable Housing Partnership will be able to extend this arrangement with Registered Providers who are likely to be operating on the Strategic Allocation sites.

The purpose of selecting a number of Preferred Registered Providers to deliver and manage the homes and communities within the Strategic Allocations was to 'raise the bar' and prevent a 'free for all' from Registered Providers of any standard competing for the delivery of affordable housing in these areas. Capacity to deliver new affordable housing competitively is important – but equally important is the ability of Registered Providers to invest in developing and sustaining strong and resilient communities both during and after development is complete.

Registered Providers selected as Preferred Registered Providers will have demonstrated, to the three JCS Local Authorities' satisfaction that they can deliver and manage affordable homes and their communities to an acceptable standard. This will in turn provide the Authorities with confidence that the Affordable Housing Partnership's outcomes can be met.

Resource Implications:

None as a direct result of this report.

Legal Implications:

The establishment of the list of Preferred Registered Providers was not a procurement of services to the Authorities which was covered by the Public Contracts Regulations 2015 or the Contract Rules of each Authority. Nevertheless, the Authorities carried out a fair and open selection process. The Authorities will apply this selection process in evaluating the new applications. The Authorities have entered into a Memorandum of Understanding with the Preferred Registered Providers which sets out their objectives and roles and new providers will be required to do the same. As the Preferred Registered Providers are not providing a service to the Authorities, a formal legally binding agreement is not necessary.

The Authorities cannot insist that developers work with the Preferred Registered Providers to deliver their affordable housing obligations; developers are able to put forward alternative Registered Providers to the Authorities.

The agreement between the Authorities will need to be updated to set out how to deal with applications from Registered Providers to obtain “preferred status” before the re-selection process is due at the end of year five.

Risk Management Implications:

None as a direct result of this report.

Performance Management Follow-up:

The Partnership will continue to meet on a regular basis to oversee the implementation of its outcomes. The Partnership will undertake an annual review of progress against its outcomes and priorities.

The Preferred Provider arrangements will be reviewed at least every five years or as agreed by the Partnership (and subject to Executive Committee approval).

Environmental Implications:

None as a direct result of this report.

1.0 INTRODUCTION/BACKGROUND

- 1.1 The Joint Core Strategy (the JCS) details the requirement to plan for approximately 30,500 new homes across the JCS area over the plan period to 2031. This plan includes provision to support the otherwise unmet housing needs of Cheltenham and Gloucester. Specifically, the plan includes a number of Strategic Allocations which will contribute towards meeting the housing needs of the urban authorities.
- 1.2 In order that a balanced housing market is achieved across the JCS area it follows that any future housing provision will also include an element of affordable housing and the JCS sets out a common Affordable Housing Policy (SD12), which seeks 40% affordable housing on sites of 10 or more residential units.
- 1.3 Given that some of Cheltenham and Gloucester’s future affordable housing requirements will be provided on Strategic Allocations falling within Tewkesbury boundaries, it was necessary that a Cheltenham, Tewkesbury and Gloucester Affordable Housing Partnership was established to oversee the delivery, allocation and management of affordable housing on the proposed Strategic Allocations.
- 1.4 The formation of this Affordable Housing Partnership was supported by the JCS as per paragraph 4.12.16 (pg.70 of the adopted version).

2.0 THE AFFORDABLE HOUSING PARTNERSHIP (the Partnership)

- 2.1 The aim of the Partnership is to bring about a collaborative approach to overseeing the delivery of new affordable homes within the Strategic Allocations, and to establish, monitor and review cross-boundary lettings arrangements. Such arrangements will be agreed with this Committee when necessary. The Partnership operates at Officer level and would want to be able to make future decisions regarding how it functions operationally without the need for Executive approval. The Partnership would consult with the Lead Member for Built Environment on such decisions.

2.2 The Partnership's main outcomes are twofold:

- To maximise the delivery of new affordable housing for each local authority.
- To create a framework that enables new communities to become and remain cohesive and sustainable.

2.3 Registered Providers (RPs) can play a key role in creating communities that are cohesive and sustainable, and it will be expected that RPs will take a strength-based approach to their work focussing in particular on the following outcomes:

- supporting tenants into education, training and employment.
- promoting financial and digital inclusion.
- reducing fuel poverty.
- reducing social isolation.
- promoting community engagement.
- tackling anti-social behaviour.
- tackling poor waste management by tenants.

2.4 The Partnership seeks to ensure that RPs wishing to deliver and/or manage new affordable housing on the Strategic Allocations can support these outcomes. A key mechanism by which these outcomes can be achieved will be through the proposed Preferred Provider arrangements.

3.0 CURRENT PREFERRED PROVIDER ARRANGEMENTS

3.1 Registered Housing Providers with an interest in providing and/or managing new affordable housing within the Strategic Allocations were invited to bid for Preferred Provider status during the selection process carried out in 2015. The RPs were selected according to the evaluation criteria detailed in Appendix 2 of this report. This included but is not limited to evaluating:

- Their capacity to deliver new affordable housing across relevant sites.
- The strength of their housing management capabilities.
- Their ability to engage and involve local communities so that they can become and remain cohesive and sustainable.

4.0 OTHER OPTIONS CONSIDERED

4.1 Not to include further RPs as Preferred Providers

This option was not taken as the Partnership wishes to continue engaging with the providers that are likely to be delivering and managing the Strategic Allocation sites. Providers that wish to join would be expected to employ agreed practices such as Local Lettings Plans to ensure management of the properties is at a consistently high standard. If the sites are managed by providers outside of the group there would be less opportunity to influence their approach.

4.2 Carry out a new selection process for current Preferred Providers and potential new providers

It was decided that this approach would be unnecessarily demanding of the current providers particularly as there has been no delivery from JCS developments.

5.0 NEW PREFERRED PROVIDERS

- 5.1** The Affordable Housing Partnership has been approached by further Registered Providers wanting to become Preferred Providers. In view of the proposed Severn Vale/Merlin/Bromford merger it was decided that considering new providers would be appropriate to keep a good range of providers to assist in advising the Affordable Housing Partnership.
- 5.2** As the current agreement between the Authorities did not contain a provision about how to deal with approaches from RPs, a decision needed to be made on how to manage this process. The Partnership seeks authority to make such decisions on unforeseen issues in the future without returning for Executive approval.
- 5.3** The preferred option for the Affordable Housing Partnership was to assess the new providers (and others that may declare an interest) with the criteria used for the process previously. This was largely based on the time and effort required by both providers and the Affordable Housing Partnership when a full review will happen for them in the future after five years. There has also been no opportunity to assess the providers on delivery of properties as none of the JCS allocation sites have come forward so far.
- 5.4** The selection will be carried out jointly with Gloucester City Council and Cheltenham Borough Council and the Authorities will enter into a Memorandum of Understanding with the selected Preferred Registered Providers.

6.0 CONSULTATION

- 6.1** The formation of the Affordable Housing Partnership and the proposed selection of Preferred Providers continue to be supported by the JCS Cross Boundary Programme Board, which is made up of Chief Executive Officers or equivalent Officer from the three Local Authorities.
- 6.2** Consultation has also been undertaken with developers and their agents who have an interest in the Strategic Allocations, and with Registered Providers currently owning or managing stock within in the JCS area.
- 6.3** The current Preferred Registered Providers were consulted on the proposal to just assess the newly interested Registered Providers and all of the eight responses received agreed to this way forward.

7.0 RELEVANT COUNCIL POLICIES/STRATEGIES

- 7.1** Joint Core Strategy Submission Document www.gct-jcs.org/

8.0 RELEVANT GOVERNMENT POLICIES

- 8.1** National Planning Policy Framework 2012 (NPPF) and Planning Practice Guidance – Updated July 2018 <http://planningguidance.planningportal.gov.uk/>

9.0 RESOURCE IMPLICATIONS (Human/Property)

- 9.1** None as a direct result of this report.

10.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

- 10.1** None as a direct result of this report.

11.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

11.1 None as a direct result of this report.

12.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

12.1 None.

Background Papers: None.

Contact Officer: Strategic Housing & Enabling Officer Tel: 01684 272162,
Email: john.bryant@tewkesbury.gov.uk

Appendices:

1. Affordable Housing Partnership Terms of Reference
2. Preferred Provider Evaluation Criteria
3. Current Preferred Providers list.

TEWKESBURY BOROUGH COUNCIL

Appendix 1

Gloucester, Cheltenham and Tewkesbury Affordable Housing Partnership Terms of Reference

The Partnership Aims

- To work in collaborative partnership to deliver affordable housing across the districts
- To work with partners, stakeholders and local communities to ensure that the affordable housing delivered reflect the needs of the districts, that provide choice of affordable housing options and helps to create inclusive, mixed communities.
- To agree cross-boundary lettings arrangements for new affordable homes.
- To act as a consultative body for the future development of local Housing Strategies and Local Plans and Supplementary Planning Documents with regards to affordable housing.
- To act as a sounding board for the sharing of good practice in respect of housing management and development practices.

Outcomes

- To maximise the delivery of new affordable housing for each local authority.
- To create a framework that enables new communities to become and remain cohesive and sustainable.

Membership

During the early stages of developing the Partnership we will be comprised of representatives from the Gloucester, Cheltenham and Tewkesbury Local Housing Authorities. During this time we will actively engage with members of the JCS area's Registered Provider Forum and the Homes and Communities Agency for consultative purposes.

Once the Preferred Affordable Housing Partners are in place the Partnership will then be comprised of representatives from the following organisations:

- Cheltenham Borough Council
- Tewkesbury Borough Council
- Gloucester City Council

The Partnership will invite other stakeholders to attend partnership meetings as required, including the Preferred Affordable Housing Providers and the Homes and Communities Agency.

Partnership Development Activities

During the development of the Partnership there are initially 2 key activities which we will focus on:

1. To develop and establish Preferred Housing Providers for the delivery of affordable housing across the districts.
2. To agree cross-boundary lettings arrangements for the provision of affordable housing.

Our Priorities

Once the Preferred Housing Providers are agreed, the Partnership will work to achieve the following objectives:

1. To identify and maximise funding opportunities to aid the delivery of new affordable housing where appropriate.
2. To deliver new affordable housing according to assessed needs to include agreement of tenure split, dwelling types and size.
3. To ensure as far as possible the standardisation of affordable housing clauses within Section 106 Agreements.
4. To deliver new affordable housing in a timely and coordinated manner across the build programme of each development.
5. To ensure new affordable housing is allocated, reviewed and monitored in accordance with agreed cross-boundary lettings arrangements.
6. To ensure a framework is in place which enables future community needs, including the housing needs of specific groups, to be identified and addressed.
7. To ensure the arrangements of the Preferred Housing Providers is regularly monitored and reviewed.
8. To promote housing from an equalities perspective, seeking social inclusion and routes away from welfare dependency.

Operational Matters

The Partnership will meet monthly (unless otherwise agreed) and frequency of these meetings will be reviewed once Preferred Housing Providers are in place.

The Partnership will agree a Chair and Secretariat from Membership on an annual basis.

It is expected that appropriately authorised officers will attend meetings of the Partnership. Decisions which cannot be made by the representative present at the meeting must be made clear at the time and the Partnership will agree a timescale for when the decision will be made.

Decisions made by the Local Housing Authorities will be by consensus. Where this cannot be achieved the matter will be referred to senior management of each organisation who will confer to reach an agreement on the course of action to be taken.

The Partnership does not constitute a legal body in its own right and all decisions made must be fully delegated from the represented organisation, voted for or deferred back accordingly. The members attend as representatives of their own organisation to agree a consensus, working on behalf of their own organisation to achieve the strategic outcomes and priorities identified for the Partnership.

Review

Terms of Reference of the Partnership will be reviewed annually.

There will be a formal outcomes review every 12 months to show how the Partnership is meeting its objectives and amend them when required by consensus to continue to achieve the above aims.

The Preferred Housing Providers arrangements will be reviewed at least every 5 years, or as agreed by the Local Authority members of this Partnership (subject to relevant constitutional approvals by the respective district authorities).

Preferred Provider Evaluation Criteria

Preferred Providers will be evaluated on questions relating to the following areas:

1. General information
2. Regulatory Compliance
3. Partnerships
4. Quality Assurance
5. Development of new affordable housing
6. Asset management and existing housing stock
7. Neighbourhood management
8. Community services and tenant involvement
9. Performance information
10. Meeting the Affordable Housing Partnership's outcomes

Gloucester, Cheltenham and Tewkesbury Affordable Housing Partnership

Preferred Providers

Bromford

1 Cirencester Office Park
Tetbury Road
Cirencester
GL7 6JJ

Fortis Living

Festival House, Grovewood Road
Malvern
Worcestershire
WR14 1GD

Greensquare Group Ltd

Barbury House
Stonehill Green
Swindon
SN5 7HB

Rooftop Housing Association Ltd

70 High Street
Evesham
WR11 4YD

Sovereign Housing Society Ltd

90 Bartholomew Street
Newbury
Berkshire
RG14 5EE

Cheltenham Borough Homes Ltd

Cheltenham House
Clarence Street
Cheltenham
GL50 3JR

Gloucester City Homes Ltd

Railway House
Bruton Way
Gloucester
GL1 1DG

Merlin Housing Society

Riverside Court
Bowling Hill
Chipping Sodbury, Bristol
BS37 6JX

Severn Vale Housing Society Ltd

Shannon Way
Ashchurch
Tewkesbury
GL20 8ND

Two Rivers Housing

Rivers Meet
Cleeve Mill Lane
Newent, Gloucestershire
GL18 1DS