

AGENDA MANAGEMENT SHEET

Report Title:	The Council's relationship with Registered Provider Partners
Name of Committee:	Communities and Resources Scrutiny Committee
Date of Meeting:	18 November 2019
Contact Officer:	Cindy Gleghorn, Housing Services Manager Tel: 01788 533386 E: cindy.gleghorn@rugby.gov.uk
Summary:	As part of the overview and scrutiny work programme and with the agreement of the Executive Director, scrutiny will undertake a light-touch review of Partnerships Working. The focus will be on the council's relationship with housing associations, not on individual cases.
Financial Implications:	There are no financial implications arising from this report.
Risk Management Implications:	There are no risk management implications arising from this report.
Environmental Implications:	There are no environmental implications arising from this report.
Legal Implications:	There are no legal implications arising from this report
Equality and Diversity:	Improve how the Council engages with communities, partners and customers

Communities and Resources Scrutiny Committee -

18 November 2019

The Council's relationship with Registered Provider Partners

Public Report of the Head of Communities and Homes

Summary

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1. Introduction

The term 'Registered Provider' (RP) resulted from the introduction of the Housing and Regeneration Act 2008 and refers to providers of affordable housing (including local authorities) and what was previously referred to as Housing Associations. RP's have an important role to play in the borough in terms of meeting housing need, and the Council's corporate objective of *Enabling our residents to live healthy, independent lives*.

There are two key aspects to their work in the borough:

- provision of new homes
- management and maintenance of their housing stock

RP's are autonomous organisations and as such, the Council does not actively manage them and does not have the power to force them to deliver services in a particular way. Working closely with them, in the spirit of partnership, is more conducive to getting the right results. The ways in which this is achieved is covered in the remainder of this report.

2. Lettings and Management of RP Homes

We have 28 registered providers with properties available for rent in the Borough. The Council has nomination agreements (essentially SLA's) with these RP's so that applicants from the housing register can be nominated for a new home.

In the case of properties delivered via S106, it is usual for 100% of first lettings to be through nominations, with future lets being 50% through nominations and 50% via the RP's own register of demand.

The agreement also covers:

- protocols for managing the nomination process, including timescales
- issues of charges made by the Council for nominations

We provide nominations to RP's within seven days of receiving a request from them and charge fees for each individual nomination of between £60 - £80 per property. For the period October 2018 to October 2019, 322 nominations were processed by us. Refusal rates by applicants being offered tenancies with RP's is extremely low.

Nomination agreements will be reviewed in 2020. This is because:

- it is good practice to regularly review any process
- the issue of charges for nominations needs to be considered. This is because not all RP's will agree to charges being made for what is a requirement of the S106. If onerous requirements are put on them in respect of nominations they may choose to invest elsewhere. Whilst there is a modest revenue flow from nominations, this will not be as valuable as new affordable homes, which are an important contribute to preventing homelessness and also attract a higher subsidy via the new homes' bonus.

3. Operational Issues

On occasion, operational issues do arise, however, this is the exception rather than the norm. The relationship between officers of the Council and the RP's is impressive in that should discussions need to be escalated to resolve an issue then this can be done all the way up to directorship level.

The Manager and Team Leader of the Housing Service are in regular dialogue with the housing management and lettings teams of the RP's. and this does ensure that issues that do arise through lettings can be addressed and opportunities for improving processes identified to ensure that people in housing need can access a home suited to their need at the appropriate time.

RP's are required to co-operate with local authorities by way of nominations agreements, however, councils are not able to prescribe how RP's manage their day to day operations.

RP's have their own complaints processes that tenants are able to access and may choose to do this with support of a nominated person. The Governments Social Housing Green Paper, a new deal for Social Housing which was published on 14 August 2018, makes particular reference and emphasis on complaint resolution.

RP's are expected to be compliant with and meet the Social Housing Regulatory framework and the regulator may act if these standards are breached and there is a significant risk of serious detriment to tenants or potential tenants.

4. The Regulatory Framework for Registered Providers

RP's are governed by a bespoke regulatory framework administered by the Social Housing Regulator (SHR).

The SHR has introduced seven regulatory standards for social housing in England. Three of these relate to economic standards and the remaining four refer to housing management issues grouped under a consumer standard. Each of the standards sets out required outcomes and specific expectations of registered providers. Where relevant, they reflect the Secretary of State's directions on specific regulatory standards.

The three standards which are classified as 'economic' are:

- the Governance and Financial Viability Standard
- the Value for Money Standard
- the Rent Standard

The remaining four consumer standards are:

- the Tenant Involvement and Empowerment Standard
- the Home Standard
- the Tenancy Standard
- the Neighborhood and Community Standards

5. The Provision of New Homes

In May 2016, an agreement was established, following a selection process, to appoint six RP's to act as preferred partners of the Council. The appointed partners were:

- Affinity Sutton
- Bromford Group
- Midland Heart
- Orbit Homes
- Waterloo Housing Group
- Warwickshire Rural Housing Association

Much has changed since the agreement was established and it is no longer fit for purpose, mainly because:

- such agreements are not legally enforceable and can be challenged. Such a challenge can potentially come from developers, who feel unable to extract best

return for the affordable housing delivered as part of the planning obligations and other RP's who feel they merit inclusion/wish to develop in the borough.

- Much of the business of the agreement is covered in bespoke nominations agreements with each individual RP, particularly in respect of management and lettings
- Much of the quality issues for the built environment are covered by the planning process and subsequent compliance monitoring, whilst building control address issues of build quality.
- The Regulator takes a lead on issues of affordability and management standards
- it is a business given that before investing in the borough the RP's clarify the local housing needs to ensure that they are prioritising resource where it is needed and to the best effect
- given the constraints on land supply, nearly all of what the RPs are delivering affordable homes that are secured through planning obligations (S106 homes), through the planning obligations (S106 units). As such, their potential to control the detail of the housing they are providing is far more constrained than if they were developing it out for themselves.
- Affinity Sutton is now part of the Clarion Group, the largest RP in the country with a portfolio exceeding 125,000 properties and Waterloo Housing Group, along with Fortiss Living have now combined to form Platform Housing.

The RP's appetite for securing and delivering S106 homes, which we are very much dependent on for affordable housing delivery, changes according to market conditions and their wider delivery programmes. This brings about the risk of having 'no takers' for S106 opportunities. Whilst the Council may choose to take these on for themselves it does not make sense to have too much of a restriction on who to work with locally:

- West Midlands Housing (now part of Citizen) are not preferred partners but have recently delivered almost 70 new affordable homes in the borough
- L&Q who also do not traditionally operate in the borough are looking to potentially invest in as many as 250 affordable homes
- Sanctuary Housing who have not delivered new homes in the borough for several years are also looking to deliver several new homes
- Heylo is a provider of shared ownership homes in the borough and with the approaching end of the Government's Help to Buy scheme there will potentially be an increased demand for this affordable home ownership product

All of the RP's featured in this report (including the ones which are not preferred partners) have a close dialogue with the Communities and Projects Manager, who is

also responsible for the development of the Council's Housing Strategy, and have regular quarterly catch up/relationship management meetings. The aim of these meeting is for both parties to understand:

- local housing needs and which of those needs are most pressing
- how the local housing market is performing
- how planned development and acquisitions can help to meet need and when
- opportunities to review the tenure, size and quality of proposed schemes
- continued appetite for S106 homes
- potential enabling support required from the council to help sites
- potential applications for Homes England grant funding (which will ultimately require the support of the Council as part of the grants approval process)
- opportunities for joint working for the delivery of affordable homes
- the overall affordable housing pipeline for the borough

In addition to these meetings, regular catch ups will happen in between should new potential schemes be identified by RP's looking to develop in the borough.

6. Conclusion

There are strong mechanisms in place for the management of relationships between the RP's and the Council. This mechanism is complemented by a coherent regulatory framework imposed by the Social Housing Regulator.

The deficiencies of the preferred partnership agreement are such that Officers do not plan to renew this agreement beyond its current expiry date of May 2020. There are already plans to refresh the nominations agreement.

The Manager and Team Leader of the Housing Service will continue to work with RP's adopting a collaborative approach which meets the needs of both organisations and importantly the needs of the applicant/tenant.

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Originating Department: Communities and Homes

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink