

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

1ST AUGUST 2007

PREFERRED PARTNERING IN THE DELIVERY OF AFFORDABLE HOUSING

Responsible Portfolio Holder	Cllr Peter Whittaker
Responsible Corporate Director	Phil Street

1. SUMMARY

- 1.1 In February 2007, the Executive Cabinet resolved that a Housing Partnership Review Panel of officers and Members be set up and granted delegated authority to review and approve the formalisation of new preferred partnership arrangements between the Council and Registered Social Landlords. The aim of the review is to re-establish a limited group of Registered Social Landlords who are committed to meeting local housing needs and to providing good quality housing, housing management and maintenance services that promote strong, sustainable communities and widen the choice of housing options to people in Bromsgrove.
- 1.2 The purpose of this report is to report back to Members upon the outcome of the review of the partnership arrangements that has been undertaken by the Review Panel and to seek formal ratification of the decisions made.

2. RECOMMENDATION

- 2.1 **That the Executive Cabinet ratifies the decisions made by the Preferred Partnership Review Panel on the 8th June 2007 in the selection of the Council's RSL Preferred Partners as set out at Sections 6.1 and 6.2 of this report.**

3. BACKGROUND

- 3.1 Since the 1980's Registered Social Landlords (RSLs) have become the major provider of affordable housing. In the early 1990's, Bromsgrove District Council selected four RSLs to work with on a preferred partnership basis. These were Harden (now Nexus, part of West Mercia Housing Group), Bromford Housing Group, Servite Houses and Focus. Other RSLs such as Rooftop (formerly Evesham & Pershore Housing Association) have not been excluded from developing in partnership with the Council where they have demonstrated good value for money and committed their own resources to development schemes but have not been formally adopted as partners.

- 3.2 In March 2004, Bromsgrove District Housing Trust (BDHT) was established by the Council, in accordance with the results of tenant consultation to receive the transfer of its housing stock. Since its inception, the Council has worked in close partnership with BDHT on the joint commissioning of a number of affordable housing schemes and has forward allocated extensive funding for the provision of an Extra Care Scheme at Charford. BDHT has formed a development partnership with West Mercia Housing Group and has become an important contributor to the delivery of affordable housing in the District working closely with the Council, supporting the authority in projects such as the hostel de-commissioning and temporary accommodation for the homeless.
- 3.3 In February this year, having allowed for a reasonable period of re-adjustment following housing transfer, the Council decided to review the preferred partner RSLs with which it works. The aim is to re-establish a limited group of Registered Social Landlords who are committed to meeting local housing needs and to providing good quality housing, housing management and maintenance services that promote strong, sustainable communities and widen the choice of housing options for people in Bromsgrove.
- 3.4 Preferred Partners in this context can be defined as a limited group of RSLs who engage with the local authority on issues relating to the development of affordable housing in a regular forum and who are given preference in some way when sites and grants are allocated.
- 3.5 The advantages of the preferred partner joint / commissioning approach are as follows:
- It is a flexible approach that can evolve with the changing housing agenda.
 - It reduces unnecessary competition as endless 'beauty contests' are time and resource consuming.
 - Developers know who to approach.
 - It limits the opportunities for developers to "bid up" prices.
 - RSLs are more committed to the local authority area.
 - It provides a framework around which other common issues can be discussed e.g.:- Energy efficiency, Egan Compliance, Regeneration partnerships and Local strategic partnerships.
 - It can provide additional resources: e.g. if there is slippage elsewhere in grant spending, a well organised joint commissioning group with a defined forward programme can attract extra funds.
 - It provides RSLs with more security as it limits the ability of predatory RSLs to "muscle in" and it encourages partner RSLs to spend time and resources in developing longer term opportunities.
 - A longer (usually 3 year) planning cycle helps with the development of more complex, longer term projects e.g. regeneration schemes, resettlement of vulnerable needs groups.

- Streamlines the bidding process – bids are supported by all parties and a single programme supported by all key stakeholders.
- But overwhelmingly the main benefit for everyone is a more positive relationship between the partner RSLs, the local authority and the Housing Corporation – more openness, honesty and commitment – and probably most importantly delivery of an improved final product.

4. THE SELECTION PROCESS UNDERTAKEN BY THE HOUSING PARTNERSHIP REVIEW PANEL

4.1 The approach approved by the Executive Cabinet in February 2007 was for a review and formalisation of the partnership arrangements already in place to ensure that the arrangements provide an appropriate supply of expertise, innovation, enthusiasm and access to resources. The chosen process was to allow for disinterested or less appropriate partners to be de-selected and new players such as BDHT, the local LSVT organisation to be included.

4.2 A two stage selection process was undertaken under which RSL's were firstly invited to submit an application and complete a 49 question questionnaire covering issues including:

- involvement in local authority strategy development,
- track record in development and in housing management,
- commitment to or experience of joint or partnership working,
- tenant participation and consultation,
- financial position,
- efficiency and programme delivery
- Performance and developmental capacity
- having appropriate customer service policies and complaints procedures
- experience of S106 agreements

4.3 The second stage of the process was for the officer / member selection panel to interview the three organisations that were prioritised from stage one of the process. The interviews consisted of a presentation from the organisation followed by a question and answer session.

5. EVALUATION OF SUBMISSIONS

5.1 The Partnership Review Panel considered both quantitative and qualitative factors to identify the most advantageous proposals for the District and marked submissions against a criteria based upon:

- Expertise in carrying out the requirements;
- Manner in which the requirements will be carried out;
- Procedures and practices which will be used to ensure quality;

- Experience, ability and suitability of staff;
- General compatibility of the RSL's submission with the Council's own strategic objectives and policies.
- Previous history in delivering affordable housing in the district.

6. THE DECISION OF THE PARTNERSHIP REVIEW PANEL

6.1 On the 8th June 2007 the Housing Partnership Review Panel agreed that the Council's RSL Preferred Partnership arrangements be set out in two separate agreements:

- i) **The Wider Preferred Partnership** under which the Council appoints Servite Houses, The West Mercia / BDHT Partnership and Bromford Housing Group as Preferred Development Partners of the District Council for the development of affordable housing on non-Council owned land where funding is independent of District Council Resources.
- ii) **The Principal Partnership** which states that within the Group of Preferred Development Partners (set out at 6.1, i) above), the West Mercia / BDHT Partnership be selected as the 'Principal Partner' with whom the Council would work in instances where Council owned land is identified for affordable housing and / or Local Authority Development Grant is made available (subject to availability) for the enablement of affordable housing up to a capped level of £350,000pa.

This second agreement will specify that the Council agrees to work with the West Mercia/BDHT Partnership as 'Principal Partners' as recipients of land and/or local authority development grant as set out above provided that the schemes developed achieve the following objectives:

- Meet housing need as identified by the Strategic Housing Section;
- Are Affordable;
- Provide good Value for money;
- Provide meaningful opportunities for tenant participation.
- Provide quality and accessible housing management
- Provide good quality standards of affordable housing.

6.2 In summary therefore, the Partnership Review Panel decided that a wider group of three RSLs be appointed as general development partners (The West Mercia/BDHT Partnership, Bromford Housing Group and Servite Houses), but that the West Mercia/BDHT partnership be offered a separate agreement that makes them 'primary partners' who will be offered up to £350k development grant pa (so long as it is available) and first chance to purchase (or otherwise if the Executive Cabinet agree to gift or sell at reduced value) land in the ownership of the Council that is identified for affordable housing.

7. FINANCIAL IMPLICATIONS

- 7.1 The formulation of preferred partnering arrangements that contribute the provision of appropriate skills, expertise and access to inward investment are fundamental to improving the Council's strategic planning and development process, the allocation of Housing Corporation resources to the authority and achieving added value for money from the application of the local authority's resources.

8. LEGAL IMPLICATIONS

- 8.1 The revised preferred partnership arrangements will be formalised through legal documentation.

9. CORPORATE OBJECTIVES

- 9.1 The formulation of preferred partnering arrangements are fundamental to all four of the Council's objectives including the delivery of affordable housing under CO1 including the Town Centre and Longbridge, the delivery of environmental improvements under CO2, through consultation and provision of housing to assist community wellbeing under CO3 and in improving performance upon the delivery of affordable housing under CO4.

- 9.2 The Council's objectives for a Preferred Development Partnership with local RSLs include:-

- Meeting housing need as identified by the Strategic Housing Section;
- Affordability;
- Value for money;
- Providing meaningful opportunities for tenant participation.
- Improving the quality and accessibility of housing management services within the District of Bromsgrove.
- Improving quality and choice of temporary accommodation for homeless people;
- Improving standards of housing quality in the affordable housing sector.
- Making a real contribution to the development of local, sub-regional and regional housing strategies and plans.
- Joined up working with local delivery agencies.

10. RISK MANAGEMENT

- 10.1 Risk management is a key issue in deciding upon the number of preferred partners who are included in the arrangements. A too smaller partnership could lead to the Council being constrained in its ability to deliver against its Housing Strategy if any of the organisations were to fall into financial or regulatory difficulties.

11. OTHER IMPLICATIONS

Procurement Issues Transparent process of appointing RSL partners.
Personnel Implications None.
Governance/Performance Management Delivery of affordable housing against targets.
Community Safety including Section 17 of Crime and Disorder Act 1998 None
Equalities and Diversity Consideration of the suitability of the policies of partner RSLs,

12. **OTHERS CONSULTED ON THE REPORT**

Please include the following table and indicate 'Yes' or 'No' as appropriate. Delete the words in italics.

Portfolio Holder	Yes
Acting Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	No
Corporate Procurement Team	Yes

13. **BACKGROUND PAPERS**

None

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