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ROCHFORD HOUSING ASSOCIATION – CONSIDERATION OF REVISED OPERATING ARRANGEMENTS

1 PURPOSE OF REPORT

- 1.1 This report sets out the details of a proposal from Sanctuary Housing Association (SHA) for a ‘transfer of engagements’ from Rochford Housing Association (RHA) to Sanctuary under section 110 of the Co-operative and Community Benefits Societies Act 2014.

2 INTRODUCTION

- 2.1 On 26 September 2007 the Council transferred its housing stock and related assets to Rochford Housing Association, with the new housing association, at the time, being under the umbrella of Hereward Housing Association. Sanctuary Housing Group provided assistance with the transfer.
- 2.2 In 2010 Hereward Housing Association transferred its engagements to SHA. The registration of Hereward was then cancelled and, by the end of 2010 with legal processes completed, RHA was operating under the umbrella of SHA.
- 2.3 The Council has been in discussions with SHA and it is now proposed, subject to various agreed objectives, to transfer the responsibilities for managing the RHA housing stock to SHA. This report explains the background to the negotiations and the proposed objectives. Full details can be found in the Deed of Variation, Termination and Collaboration, attached to this report as Appendix A.

3 ROCHFORD HOUSING ASSOCIATION

- 3.1 Rochford Housing Association is currently responsible for managing all of the housing stock transferred from the Council in 2007.
- 3.2 As explained, RHA is now part of the Sanctuary Group, but the day to day management is carried out by a local team. The RHA Board makes decisions about the policy and direction of Rochford Housing. Tenants hold four out of the 12 places on the Board, and the Council can nominate four Members to sit on the Board.
- 3.3 The current arrangement has generally been effective, but SHA take the view there is no requirement for the housing stock to continue to be managed by a separate ‘company’ and that a better arrangement is for these responsibilities to be transferred to SHA to enable direct management.

4 THE PROPOSAL

4.1 The Deed of Variation proposes to transfer the responsibilities for managing the housing stock to SHA and to replace the RHA Board with a committee responsible for monitoring overall operational performance and compliance with the Rochford Charter for Rochford District residents.

4.2 The new committee's objectives would be to:

- focus on continuous improvement to local services provided by Sanctuary Group (the Group) and its agencies;
- monitor and hold the Group to account for landlord services and investment in new homes within Rochford District;
- promote good communication between Sanctuary and its stakeholders;
- actively seek residents' views and promote resident engagement;
- monitor spend and ensure services continue to offer good value;
- work with and support Sanctuary's operations nationally, whilst also paying due consideration to the objectives of Rochford District Council and other key local partners; and
- influence and recommend improvements to the way local services and neighbourhood/community initiatives are delivered.

4.3 The intention is for the committee to comprise up to 10 members, made up of five residents living within Rochford District (in homes owned by or, in the case of a leasehold property, where the freehold is owned by Sanctuary Group), three members nominated by Rochford District Council and two independent members.

4.4 The Deed of Variation also sets out various objectives to be delivered by SHA:-

- The development objectives - to build 363 new dwellings in the District;
- The Economic and Community Investment Objectives - to invest £100,000 in aggregate during the financial years 2016/17, 2017/18, 2018/19 and 2019/20 in community projects and initiatives in the District of Rochford;
- The Asset Services Objectives - to work with the Council to develop a plan for the provision of asset services to support the Council to utilise its assets in a way which will bring in new and additional sources of revenue and enhance the District of Rochford; and

- The Older Persons Accommodation Objectives – SHA to purchase the freehold and refurbish Goodmans Court, Romney House, Pembroke House, Wedgewood Court and Chignal House, and to develop and refurbish block A of Frances Cottee Lodge by 31 March 2018 as accommodation to be let on licence for homeless families and single people.

5 DISCUSSION

- 5.1 The transfer of arrangements now proposed does change the way the original council housing stock will be managed, but the evidence from transfers that have taken place elsewhere (Chester for example) suggests there are considerable benefits to be gained, not just in terms of the day-to-day management of the stock, but also through commitments to deliver more housing units and other community investments in the District.
- 5.2 The proposed new committee would still include Rochford Member representation, together with a strong presence from tenants and independent representatives. This arrangement has worked well in Chester.
- 5.3 As set out in this report, and in full in the Deed of Variation, SHA are committed to delivering 363 new dwellings in the District, with delivery being committed by March 2018. In addition, there will be refurbishments of five of the elderly persons schemes, 12 units of accommodation provided under licence for homeless families and single people, and a community investment fund.
- 5.4 As a package, the proposals set out in the Deed of Variation have the potential to bring substantial benefits to the District. It is anticipated that Transfer of Engagements and the setting-up of the new committee would be completed by December 2016. Prior to the new committee becoming operational, a decision would be required to nominate three Members as the Council's representatives.

6 RISK IMPLICATIONS

- 6.1 There are considered to be no substantive risks in relation to the proposed transfer of engagements as set out in the Deed of Variation; the committee arrangement proposed for managing the old council housing stock has worked well elsewhere and there is no reason to conclude that will also not be the case in Rochford.
- 6.2 The commitment to deliver 363 new dwellings does have some risk, but this is offset by a financial penalty if SHA fails to meet the commitment.

7 CRIME AND DISORDER IMPLICATIONS

- 7.1 The Community Investment Fund offers a useful financial fund to address and deliver the priorities of the Joint Community Safety Partnership Plan, working in partnership with a range of District partners, including SHA and the local neighbourhood policing team.

8 RESOURCE IMPLICATIONS

- 8.1 There are no specific resource implications for the Council through the proposed transfer of engagements as set out in the Deed of Variation.
- 8.2 The delivery of 363 new properties in the District is likely to equate to about £77,000 additional Council Tax income for the Council. In the event that SHA is unable to deliver the new properties, the agreement states that SHA will pay to the Council £10,000 for each new dwelling below the target figure in relation to which the start on site date of 31 March 2018 has not been met to a maximum of £1 million.
- 8.3 The provision of 12 units for temporary accommodation on licence will assist the Council in controlling bed and breakfast costs; these units will be cost neutral for the Council by avoiding the requirement for additional payments to augment the housing benefit contribution from each homeless family.

9 LEGAL IMPLICATIONS

- 9.1 There are no specific legal implications for the Council arising from the proposed transfer of engagements, other than to note the due legal process required to complete the arrangements for signing the Deed of Variation, Termination and Collaboration.

10 EQUALITY AND DIVERSITY IMPLICATIONS

- 10.1 The development of new dwellings in the District by Sanctuary offers the opportunity to increase the supply of affordable homes. The proposal to convert 12 units of elderly accommodation into units for homeless families and single people will increase the opportunities for homeless people to remain in the District.

11 RECOMMENDATION

- 11.1 It is proposed that Council **RESOLVES** that the Deed of Variation as set out in Appendix A to this report be agreed.



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Background Papers:-

None.

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