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SANCTUARY HOUSING ASSOCIATION – DEED OF VARIATION, TERMINATION AND COLLABORATION UPDATE

1 PURPOSE OF REPORT

- 1.1 To report on the delivery of the objectives referred to in the Deed of Variation, Termination and Collaboration (the 'Deed') between Rochford District Council and Sanctuary Housing Association ('SHA') (Minute 92/16).

2 INTRODUCTION

- 2.1 The Deed (which was agreed by the parties in June 2016) sets out various objectives to be delivered by SHA, these include:-
- The development objective requiring SHA to deliver 363 new dwellings in the District of Rochford, with provision (although not construction) being committed by 31 March 2018.
 - The economic and community investment objective - to invest £100,000 per financial year up to 2019/20 in community projects and initiatives in the District of Rochford and to invest up to £114,450 per financial year until 25 September 2037 in adaptation works to SHA properties within the District.
 - The older persons accommodation objective – to develop and refurbish Frances Cottee Lodge by 31 March 2018 to provide accommodation under licence for homeless families and single people and to carry out refurbishments of 6 of the elderly person schemes.
 - The asset services objective - 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.

3 2017/18 OBJECTIVE DELIVERY UPDATE

Development Objective

- 3.1 As set out in the Deed, SHA is committed to deliver 363 new dwellings in the District, with provision (not construction) being committed by 31 March 2018. There are several ways SHA has used to meet this 363 new homes total. In terms of housing delivery it has:-

- Made several successful competitive bids to private house builders in the District to deliver the 35% affordable homes portion of new development sites.
 - Purchased development sites in the District to build a mix of market Housing, together with a minimum of 35% affordable and shared ownership, as per the Council's planning policy.
 - Planned to build affordable housing on land currently in the ownership of SHA, i.e. old garage courts transferred to SHA in 2007 as part of the stock transfer.
 - Provided dedicated development staff to manage the development and design process.
 - Used all reasonable endeavours to obtain planning permission as soon as reasonably practicable.
- 3.2 It should be noted that the Deed makes no distinction on the tenures of the new homes to be provided by SHA, but in all cases SHA has liaised with the Council's Planning officers to agree the tenure mix and design proposals. Tenure mix in general can mean anything from renting, buying outright or shared ownership. A further clause states that, with regard to SHA's social/affordable properties, these are to be let to applicants on the Council's waiting list. The Council will have 100% nomination rights for all properties delivered as the 35% portion of new development sites, but any further social/affordable units would also, under the terms of the agreement, be available for the Council to nominate to.
- 3.3 The current development position, as summarised in the appendix, details 375 new dwellings, tenure mix as follows:-
- 141 affordable rent.
 - 105 shared ownership.
 - 129 open market sale.
- 3.4 The appendix also details the status of each development scheme, summarised as follows:-
- 77 dwellings have been delivered that meet the target figure in relation to which the 'start on site' date is by 31 March 2018.
 - A further 215 dwellings were due to meet the 'start on site' date 31 March 2018, but there have been planning delays for each of these development schemes. Despite planning timelines SHA has invested monies into all

these schemes, in particular Bullwood Hall where demolition and clearance works have already been completed.

- 83 dwellings (Timber Grove), where planning has now been agreed. It is understood that the owner of this site would not instruct solicitors to finalise the legal agreements until the planning consent was in place. Given the delays in obtaining the planning consent, the owner has re invited bids for the site. SHA submitted a revised bid for the site in early April.

- 3.5 SHA's development programme update was considered by the Review Committee on 10 April 2018 and progress was noted.

The Economic and Community Investment Objective

- 3.6 In 2016/17, £17,960 was provided as funding to 15 successful projects within the District which fulfilled at least one of the following five key themes:-

- Employment, Education, Skills and Training.
- Health and Well-being.
- Financial Inclusion.
- Community Safety and Infrastructure.
- Environment.

Applicants are expected to match the contribution financially or with volunteer hours, resources or materials. Identified projects form part of a local Community Investment Plan which, in 2016/17, included the following:-

- Computer Access Training: Rochford and Rayleigh Association of Voluntary Services (RRAVS) arranged sessions for older people to increase confidence using the internet, emails and basic software.
- Active Life: which saw the delivery of exercise and wellbeing sessions to improve health as part of a sociable group activity alongside advice about nutrition and reducing stress.
- Through Our Eyes a photography arts project for young people.
- Girl Power, a project to help young people develop an awareness of and challenge female stereotypes and gender roles and build confidence and self belief. The course leader was Lucy Hodges MBE, world champion visually impaired sailor.

- 3.7 The plan also incorporated Maureen's Gift, which was set up in memory of SHA's first Chair and local community champion, Maureen Vince. This project supports local groups with small grants. 17 successful applications totalling

£4,973.62 of a total budget of £5,000 were progressed during 2016/17 via Maureen's Gift. This included funding for Footprints Community Group (healthy eating), Rayleigh Age Concern, S-Kape Youth Club, Rayleigh Rockets netball club and garden furniture for a number of SHA's housing for older people schemes.

3.8 The content of the 2017/18 community investment plan was agreed jointly with the Council, in accordance with the terms of the Deed and again incorporated £5,000 for Maureen's Gift. 18 projects were identified under the same key themes and quarterly updates on progress have been shared with the Council, the last one being at the end of December 2017 when 89% of the funding had either been fully spent or was committed via an ongoing project or under a contract. In accordance with the Deed, an annual monitoring report covering the investments made and impacts achieved in 2017/2018 will be reported to the Council by 1 June 2018. Projects have included:-

- Supporting the set up and launch of the Rochford Dementia Action Alliance.
- Delivering Get Healthy and Falls Prevention sessions to Sanctuary Housing residents via RRAVS.
- Partnering with Essex Youth Services and Rochford District Council to assist in delivering Essex Youth Services outreach project to young people in the town of Rochford.

3.9 Council officers, partner agencies and members of SHA's's Community Investment Sub- Committee, which includes tenants and local interested parties, have had an opportunity to feed into the 2018/2019 community investment plan. This was approved by the Sanctuary in Rochford Committee at its meeting on 28 March 2018.

Aids and Adaptations

3.10 Housing adaptation spend to date on SHA property exceeds the agreed investment of £114,500 per financial year (indexed at RPI from the date of the Deed). In 2016/17 spend was £177,555 across 19 properties and in 2017/18 forecast spend is £143,351 on 25 properties. The most common type of adaptation is the installation of a level access shower. The budget set aside for 2018/2019 is £200,000.

Older Persons Accommodation Objective

3.11 The first commitment was to develop and refurbish Frances Cottee Lodge by 31 March 2018 as accommodation let on licence for homeless families and single people.

- 3.12 The first phase of work completed on 16 October 2017 and six households moved in during that month, two of whom have since moved on to permanent accommodation. Work completed on the main block on 29 March 2018 and currently all 15 units are occupied and let on licences. In addition to refurbishment work, four additional flats were created by extending the former scheme manager's accommodation and converting the former guest room and communal lounge.
- 3.13 Work to the adjacent Clarence Road flats is due to finish in April 2018. As vacancies arise, these flats will be let to people who have applied to the Council or SHA for a home. They are no longer restricted to over 55 year olds.
- 3.14 The second commitment was to purchase the remaining former low demand properties (six schemes in total) and undertake refurbishment works by 31 March 2018.
- 3.15 The six schemes were purchased in August 2016. Contractors have been on site at Wedgwood Court and Pembroke House in Rochford since October 2017. Reinvestment work will commence this month at Chignal House in Rayleigh, Goodmans in Great Wakering and Romney House in Rochford. SHA is also providing features such as scooter stores, additional laundry areas and increased parking where feasible.

The Asset Services Objective

- 3.16 Joint work was carried out in 2016 on the asset register review sites from which consultants pulled together appraisals. The Council has since progressed a number through the planning team and each site continues to be considered as part of the review of Council owned land. All requests for assistance by the Council were made within a year of the Deed being signed and no work is outstanding with SHA.

4 RISK IMPLICATIONS

- 4.1 There are no substantive risks in relation to the economic and community investment, older persons accommodation and asset services objectives.
- 4.2 As detailed in the Deed, the risk of failure to meet the 363 development target figure was offset by a financial penalty for each new dwelling below this figure. This penalty clause, however, could only ever be invoked if planning permission had been granted and SHA then failed to deliver on the start on site date for each scheme. SHA is not in default of its obligations under the Deed and so the penalty clause does not apply.
- 4.3 SHA continues to be committed to deliver 363 new dwellings and meets all the obligations of the Deed having:-

- Identified suitable sites.
- Liaised with the Council and its planning team to agree tenure mix and design proposals.
- Provided dedicated development staff to manage the development and design process.
- Used reasonable endeavours to obtain planning permission as soon as reasonably practicable.

4.4 Taking account of the current housing waiting list (over 650) and considering the ongoing challenges faced by the Council in dealing with homeless families, there is a continuing need to increase the supply of housing in the District. The SHA development programme, as detailed in the appendix will have a significant impact. The delivery of 141 new affordable properties alone, will have an anticipated impact of rehousing a minimum 200 households from the housing waiting list and this is not taking into account the further impact the other tenures will have to meet the general housing needs of our residents.

5 CRIME AND DISORDER IMPLICATIONS

5.1 The community investment fund has offered a useful financial fund to address and deliver the priorities of the Joint Community Safety Partnership and Health and Wellbeing Action Plans, working in partnership with a range of District partners, including SHA and the local neighbourhood policing team.

6 ENVIRONMENTAL IMPLICATIONS

6.1 None.

7 RESOURCE IMPLICATIONS

7.1 The Deed states that, subject to obtaining planning permission, SHA will pay to the Council £10,000 for each new dwelling below the target figure of 363 in relation to which the start on site on or before 31 March 2018 has not been met, to a maximum of £1million.

7.2 SHA have, however, complied with its obligations under the Deed as detailed in 4.3 and so the penalty clause does not apply.

7.3 The provision of 15 units for temporary accommodation on licence has supported the Council in its target to eliminate bed and breakfast use and cost and has allowed local families to move back into the District.

7.4 SHA's housing adaptation investments has meant the minimum of impact on the Council's allocated disabled facilities grant budget, freeing up resources to meet an ongoing demand to meet local residents' assessed needs.

8 LEGAL IMPLICATIONS

- 8.1 To enforce the development objective penalty clause in the Deed, it needs to be demonstrated that Start on Site works has not occurred for the dwellings for each development on or before the 31 March 2018 following the grant of planning permission.
- 8.2 The Council and SHA meet quarterly to ensure that the obligations for both parties have been met. SHA has been in liaison with Council Officers to identify sites and agree tenure mixes as well as providing dedicated staff with the objective of obtaining planning permission using reasonable endeavours to do so.
- 8.3 The Council, under the obligations of the Deed is required to take reasonable steps to support and assist SHA in identifying and deliver suitable development schemes. Failure to comply with these obligations could lead to a breach of contract on the Council's part.
- 8.4 As such, the Council is unlikely to succeed if it takes legal action and may incur considerable legal costs in the process of doing so.

9 PARISH IMPLICATIONS

- 9.1 None.

10 EQUALITY AND DIVERSITY IMPLICATIONS

- 10.1 The development of new dwellings in the District by SHA offers the opportunity to increase the supply of affordable homes. The conversion of 15 units of new temporary accommodation for homeless families and single people increases the opportunities for homeless people to remain in the District.

11 RECOMMENDATION

- 11.1 It is proposed that Council **RESOLVES** to note the progress and delivery of the Objectives within the Deed.



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Background Papers:-

None.

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If you would like this report in large print, Braille or another language please contact 01702 318111.

Appendix

Rochford

	Unit numbers			Total	Status	Comments
	Rent S106	Shared ownership S106	Sale			
Anchor Lane	17	18	-	35	On site	
Folly Lane ph 1	12		-	12	On site	
Folly Lane ph 2	7	5	-	12	On site	
Wedgewood Court	-	4	-	4	On site	
Harris Court	2	-	-	2	On site	
Kimberly Road	6		-	6	On site	
Althorne Way	6		-	6	On site	
Bullwood Hall	22	5	51	78	Site acquired, awaiting planning	Planning consent outstanding. Demolition and S278 works completed.
Barrow Hall Road	32	40	48	120	Contracts progressing	Legal contracts being finalised. The scheme was approved at Committee on 16 December 2016. The consent and S106 were issued on 10 October 2017.
London Road, Silvercity	14	3	-	17	Held	Application validated 16 October 2015 and approved on 22 September 2016. S106 agreement signed on 23 August 2017. Delays have meant newt removal works cannot start until Spring 2018. Legal contracts not finalised.
Timber Grove	23	30	30	83	Bid	Application validated 15 September 2016, determined 15 February 2018. Heads of terms previously agreed, but owner would not instruct legals until planning granted. Due to the delay, the owner has invited new offers for the site. Sanctuary preparing a new bid due for submission in early April.
Sub total	141	105	129	375		