

Decision by Portfolio Holder



Report reference: HPS-007-2018/19

Date of report: 04 March 2019

**Epping Forest
District Council**

Portfolio: Housing and Property Services - Cllr S. Stavrou

**Author: Paul Pledger
Service Director Housing and Property**

Democratic Services: J Leither

Subject: Additional Preferred Housing Association Partner

Decision:

- (1) That Habinteg becomes a new Preferred Housing Association Partner of the Council with immediate effect.

ADVISORY NOTICE: <i>A Portfolio Holder may not take a decision on a matter on which he/she has declared a Pecuniary interest. A Portfolio Holder with a non-pecuniary interest must declare that interest when exercising delegated powers.</i>	
I have read and approve/ do not approve (delete as appropriate) the above decision:	
Comments/further action required: None	
Signed: Cllr S-A Stavrou	Date: 8 th March 2019
<i>Non-pecuniary interest declared by Portfolio Holder/ conflict of non-pecuniary interest declared by any other consulted Cabinet Member:</i> None	<i>Dispensation granted by Standards Committee:</i> Yes/No or n/a N/A
Office use only: Call-in period begins: 8 th March 2019	Expiry of Call-in period: 15 th March 2019

***After completion, one copy of this pro forma should be returned to
Democratic Services IMMEDIATELY***

Reason for decision:

The Council operates a Scheme of Preferred Housing Association Partnering. The Council currently has five Preferred Housing Association Partners. In view of the increased affordable housing developments that will be arising through increased development in the District, it is important that the Council has a sufficient number of Preferred Partners who are committed to working in partnership with the Council to pursue and deliver affordable housing opportunities in the District. The Council also needs a housing partner who specialises in the provision of accommodation for disabled people.

**Initialed as original copy by
Portfolio Holder:**

Options considered and rejected:

The main options are:

- Not to appoint a Preferred Partner specialising in housing for disabled people
- Undertake a wide-ranging and extensive appointment process
- Appoint a different Preferred Partner specialising in housing for disabled people

Background

1. In October 2007, the Council adopted a Scheme of Preferred Housing Association (HA) Partnering. The purpose of the Scheme is to work with specific housing associations - that have a proven track record of successfully providing affordable housing and of providing a good housing service to tenants - to identify, pursue and deliver affordable housing developments within the District.

2. The Scheme enables the Council to have a very good working relationship with a relatively small number of housing associations. Preferred HA Partners:

- Have a much better understanding of the District's housing needs and the Council's expectations than other housing associations;
- Are able to influence and improve the affordable housing provision on developments as well as its design, due to their early involvement in schemes;
- Provide very useful advice, guidance and feedback to the Council on affordable housing issues and policies;
- Are investment partners of Homes England (previously the Homes and Communities Agency – HCA) and are therefore eligible for grant funding;
- Provide a ready-made “select list” of housing associations for developers and (in respect of Council-owned sites available for residential development) the Council to work with;
- Have a rating of at least V2 (for viability) and G2 (for Governance) from the Regulator of Social Housing (RSH - previously the HCA) for their latest Regulatory Judgments – so are viable and well-governed
- Are able to continue to increase and consolidate their housing stock within the District, thereby assisting them to reduce their unit management and maintenance costs and to achieve better value for money; and
- Have signed district-wide nomination agreements with the Council, setting out detailed nomination arrangements.

3. Under the Council's Scheme, an Annual Review of Performance is carried out for each Preferred HA Partner. The Annual Review takes account of (but not exclusively) the following:

- How well the housing association has performed with the delivery of affordable housing developments in the District;
- The value for money offered by the housing association in bids and offers to Homes England, developers and landowners;
- How well the housing association has worked in partnership with the Council over the previous year;
- How well the housing association has contributed, or committed to contribute, towards wider community objectives within the District (in addition to the provision of affordable housing);
- Any concerns relating to the housing association's management and maintenance of its housing stock within the District, or the operation of nominations rights;
- Any significant concerns about the housing association generally;

- The housing association's Investment Partner status with Homes England; and
- The RSH's latest Regulatory Judgment for the housing association.

4. The Annual Review of Performance results in a written summary of the performance of each Preferred HA Partner, together with any proposed actions. If there are concerns over the housing association's performance, either: a further review can be undertaken within a specified period; the housing association can be suspended as a Preferred HA Partner for a specified period; or a recommendation can be made to the Housing Portfolio Holder that the housing association should no longer be a Preferred HA Partner.

5. At present, the Council's Preferred Housing Association Partners comprise:

- Aldwyck
- B3 Living
- CHP
- Hastoe Housing Association (Rural Partner)
- Moat Group

Appointing a Preferred Partner Specialising in Accessible Housing

6. Increased affordable housing opportunities are now coming forward, because of more interest from developers wanting to develop in the District. Increased development will also be coming forward once the Council's new Local Plan is adopted. Therefore, it is important that the Council has a sufficient number of Preferred Partners who are committed to work in partnership with the Council to pursue and deliver affordable housing opportunities in the District.

7. It is also important to ensure that the new affordable housing being developed takes account of accessibility issues and the needs of disabled residents. The Strategic Housing Market Assessment (SHMA) has assessed that Epping Forest has a need for 2,851 affordable homes over the period of 2016 – 2033. The SHMA assesses that 15% (428) of the total affordable housing should meet the Building Regulations M4 Category 3 standard – wheelchair user dwellings. Further information on the needs for wheelchair accessible housing in the District is provided in the Appendix. It is therefore considered advisable to appoint an additional housing association as a Preferred HA Partner of the Council which specialises in promoting accessible housing and the needs of disabled people

8. One way of appointing an additional Preferred HA Partner which specialises in housing for disabled people would be to undertake a large-scale appointment process, inviting applications from any housing associations interested in becoming Preferred HA Partners. However, this would involve officers undertaking a time-consuming appointment process that would undoubtedly result in many housing associations, with no connection with, or any real interest in, the District applying. The differentiation and selection of Preferred HA Partners through such an exercise would be very difficult, and there would be no certainty that the housing association selected would be successful in working in partnership with the Council.

9. It is therefore proposed that it would be more appropriate, and more likely to result in successful outcomes, if the Council appoints a housing association which specialises in accessible housing known to meet the Council's criteria; has existing offices reasonably locally; is considered to have a good development background; provides a good housing management service to its tenants; and has demonstrated an interest in providing new affordable housing developments in the District. This was the approach taken previously, when Aldwyck, B3Living and CHP became new Preferred Partners.

10. Accordingly, the former Director of Communities and Senior Housing Development Officer have held discussions with Habinteg, with a view to them being recommended as a Preferred HA Partner.

Habinteg

11. Habinteg are based in London and were established in 1970 with the aim of developing inclusive and accessible housing. They own and manage 3350 homes across 86 local authorities nationally. They currently operate in all surrounding districts and are therefore keen to identify new development opportunities in Epping Forest.

12. Habinteg are an approved Homes England investment partner with a current development pipeline comprises 150 new homes for delivery by 2020. They have a DANSKE loan facility for development of £27.5m bond finance to finance their current programme, have a low gearing of 20.37% and have the capacity to further increase their development programme.

13. Habinteg's latest RSH Regulatory Judgement score is G1 V1 – which means that they have the highest level of compliance in terms of governance and viability. They manage all of their stock through offices based in schemes larger than 25 units, and currently have staffed offices in Chelmsford, Chingford and Hainault.

14. Habinteg are a general needs housing association but have built all their stock using inclusive design principles. Over a third of their stock is designed specifically for wheelchair users. Since 1994, all their general needs properties have been built to the Lifetime Homes standard and latterly M4 Category 2 – accessible and adaptable dwellings. They are the authors of the Lifetime Homes standard and the Wheelchair Housing Design Guide. They lobby for accessible housing to be universal and mainstream, as opposed to “specialist” to allow people who are able, to live independently.

Resource Implications:

None

Legal and Governance Implications:

Habinteg are a Registered Provider of Housing with the Regulator of Social Housing and have good Regulatory Judgements.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

None

Background Papers:

Appendix.

Impact Assessments:

Risk Management:

The risks to the Council are minimal.

Habinteg will be responsible for managing their own risks in respect of any developments undertaken in the District. Any risks associated with any developments in which either organisation works in partnership with the Council will be assessed at the time.

Any concerns that Habinteg are not meeting the Council's expectations regarding delivery performance will be identified and discussed through the Annual Review of Performance.

Key Decision Reference (Y/N): N

Equality Analysis

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an Appendix to the report.