

Portfolio Holder Report

Review of the Affordable Housing Development Partnership

Executive Portfolio Holder: Councillor Ric Pallister, Strategy and Policy
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Purpose of the Report

To formally confirm the outcome of assessment of Housing Associations applying to be the fourth main partner for the remaining period of the current partnership following the withdrawal of Bournemouth Churches Housing Association.

Decision Taken

The Portfolio Holder for Strategy and Policy has agreed to:-

- (a) confirm the appointment of Magna Housing Association as a replacement main partner for the remainder of the current partnership period.
- (b) confirm that no pro rata fee will be charged for the remainder of the current financial year, but that Magna will be charged the fee wef 1st April 2018.

Reason

To formally confirm the outcome of assessment of Housing Associations applying to be the fourth main partner for the remaining period of the current partnership following the withdrawal of Bournemouth Churches Housing Association.

Background

We have operated a system of preferred Housing Associations partners for over twenty years, choosing our main partners on a range of criteria (not just concentrating on the efficiency and effectiveness of their development function but also taking into account their record of housing management, such as their ability to robustly respond to substantiated incidents of antisocial behaviour).

The system has evolved over that time and been reviewed four times previously. The last review was undertaken in conjunction with Mendip District Council, which had the added advantage of sharing resources to run the process and Housing Associations having to produce one submission rather than two. That process completed early in 2015 with the new partnerships implemented in April 2015 for an initial intended four year period, subject to an annual review.

Withdrawal of Bournemouth Churches Housing Association

In 2015 both Mendip and South Somerset appointed Knightstone, Stonewater and Yarlington as main partners. Whilst Mendip appointed Selwood as their fourth, we appointed Bournemouth Churches Housing Association (BCHA). Since that appointment,

BCHA have secured funds from the (then) Homes and Communities Agency to acquire five individual two-bedroomed properties in Yeovil for the purposes of providing move-on accommodation for clients leaving specialist supported housing units. However they have not made progress on any specific site or any 'general needs' housing.

Following discussions at the annual review meeting, BCHA chose to withdraw from being a main partner, formally confirming this in September 2017; their reasoning can best be summed up in the following paragraph taken from that confirmation.

“As we discussed, we have not made this decision lightly, but as relatively small organisation, we have increasingly recognised, that our development contribution to the partnership, will always be niche and as such, relatively small. It is with this in mind and with full consideration of the pressures on yourselves to meet, the demanding supply challenges of the current environment, that we feel your better interest will be served, through an alternative partnership/involvement, of a larger developer housing association.”

BCHA remain an accredited Housing Association partner and we will continue to work with them on specialist projects, such as the acquisition of move-on properties, and other opportunities (for example where a private sector developer feels unable to work with one of the Main Partners on the affordable housing obligated under their s106 Agreement)

Assessment for replacement Main Partner

Given the length of time since the joint assessments undertaken in conjunction with Mendip it was not reasonable to simply 'promote' another association that had already gone through the 'second stage' assessment. Instead all existing accredited Housing Association partners were contacted and invited to express an interest in being considered for Main Partner status.

Initially this elicited three potential applicants who were then invited to an interview to be held on Wednesday 17th January. However one Housing Association withdrew, leaving two to attend the interviews, which were held at the Westlands complex in Yeovil. The interview panel was chaired by Councillor Ric Pallister, as relevant Portfolio Holder, and had two relevant officers – Colin McDonald, the Corporate Strategic Housing Manager and Nina Richards, the enabling officer from Mendip. With the exception of Councillor Linda Oliver, the Portfolio Holder from Mendip, this was the same interview panel that had conducted the assessments three years earlier.

The two Housing Associations going into the interviews had achieved exactly the same score under their accreditation assessments, leaving only verification of a random sample of gas safety certificates (we provided 25 addresses to them at short notice) and the interview scoring matrix to determine the outcome. As with the process three years earlier, the interviews were assessed on a maximum aggregate score of 120 including assessment of a presentation, some structured questioning and a final 'unstructured' discussion.

Both Associations performed well and impressed the panel overall. Scoring between the three panel members varied (in terms of how generous they were to both Associations), but the results were consistent and the preferred partner Association was unanimous. The panel agreed that had there been two vacancies for main partner status then both Associations would have been successful. The unsuccessful Association has been given informal feedback, albeit mainly in the form of praise for the areas where they impressed the panel, and remains able to work on some specific schemes as an accredited partner. Of course they will also have the opportunity to re-apply when we review the entire partnership again at the end of the current period.

Partnership Fees

We originally introduced a partnership fee in 2011/12, when undertaking the review process in collaboration with Mendip and Sedgemoor District Councils. In 2015 this was raised to £2,000 per year. Whilst it is expected that work can begin as soon the Portfolio Holder confirms the appointment under this report, it is not proposed to attempt to charge a pro rata element for the remainder of this financial year but, rather, to commence charging Magna the full fee at the start of next financial year (2018/19).

Financial Implications

The wise appointment of appropriate partners should assist in optimising the outcomes achieved through future capital investments. The only direct financial implication arising from this report is the implicit income foregone by not applying the pro rata fee for what remains of this financial year.

Implications for Corporate Priorities

The Affordable Housing development programme clearly provides a major plank under “Homes” and in particular meets the stated aim:

“To work with partners to enable the provision of housing that meets the future and existing needs of residents and employers.”

Background Papers

Review of the Affordable Housing Development Partnership (Portfolio Holder Report)
Executive Bulletins no.s 668 & 669 (2nd & 10th April 2015)