

# Wiltshire Council

## Cabinet

16 March 2021

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**Subject:** Registered Provider Partnership Review

**Cabinet Member:** Cllr Richard Clewer – Deputy Leader and Cabinet Member for Corporate Services, Heritage, Arts & Tourism, Housing and Communities

**Key Decision:** Non Key

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### **Executive Summary**

The Council has an established partnership arrangement with Registered Social Housing Providers (RPs). The current Partnership Agreement expires in March 2021.

Wiltshire currently operates an 'open' partnership with partners able to join (or leave) the partnership at any time provided they sign the Partnership Agreement and pay the enabling fee. There are currently 12 RPs in the partnership.

In consultation with these RPs it is proposed that a new partnership be established, with an updated format to take account of the Council's priorities and the current economic climate. This partnership will be more formal and selective, with RPs required to demonstrate their commitment to the Council's priorities including the climate change agenda and meeting the strategic housing delivery requirements of the Local Plan. It will also allow for the funding of the partnership costs to move towards a payment per unit basis as and when this is supported in policy terms within the Local Plan.

The report outlines the principal changes in approach that are proposed and seeks authority from Cabinet to establish a new 5 Year partnership arrangement with Registered Providers to support the delivery of affordable housing in Wiltshire

### **Proposal(s)**

To seek approval from Cabinet to establish a new 5 Year partnership arrangement with Registered Providers to support the delivery of affordable housing in Wiltshire

**Reason for Proposal(s)**

To allow for a new Partnership arrangement with RPs to support the continued delivery of affordable housing in line with the Council's Business Plan.

**Terence Herbert**  
**Chief Executive**

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### **Purpose of Report**

To seek authority from Cabinet to establish a new 5 Year partnership arrangement with Registered Providers to support the delivery of affordable housing in Wiltshire

### **Relevance to the Council's Business Plan**

1. The proposal will help support the delivery of strong communities through the timely provision of affordable housing in line with the policies contained within the Wiltshire Local Plan. It also helps support sustainable economic growth by increasing the provision of affordable homes to rent and buy in locations where these homes are needed.

### **Background**

2. Wiltshire Council has an established partnership arrangement with Registered Social Housing Providers (RPs).
3. The current Partnership Agreement originally ran for 3 years to 31<sup>st</sup> March 2020, with partners agreeing to extend it to 31<sup>st</sup> March 2021 pending a review of the partnership arrangements.
4. Wiltshire currently operates an 'open' partnership with partners able to join (or leave) the partnership at any time provided they sign the Partnership Agreement and pay the enabling fee. Over the term of the current partnership, no RPs have left and three have joined. Wiltshire currently has 12 RP partners.
5. The Wiltshire Development Partnership has been under review, with a view to updating the format of the partnership to take account of the Council's priorities and the current economic climate. Having consulted with the RPs, the report outlines the principal changes in approach that are proposed.

## **Main Considerations for the Council**

6. The current partnership works well in many respects with regular, well attended RP forums providing an opportunity for sharing best practice and a joint approach to problem solving. Feedback from the RP Partners has shown a clear desire for the partnership to continue.
7. It is proposed that the new partnership retains and builds on this strength working on a peer basis to maintain and improve standards, whilst making changes to the selection process and the fee structure.

## Selection Process

8. The Council is proposing to adopt a more formal approach in the selection process in order to ensure that we have the right partners to assist in focusing on the Council's key priorities such as the climate change agenda in addition to meeting the strategic affordable housing delivery requirements of the Local Plan.
9. To select partners, an approach is proposed similar to that used by the Homes West partnership (a partnership made up of Bath & North East Somerset Council, North Somerset Council, South Gloucestershire Council and Bristol City Council working with 18 housing associations).
10. RPs interested in joining the partnership and Wiltshire Council's Residential Development Team will be invited to complete an application form in which they will be asked to set out their commitment to meeting the partnership aims which will include:
  - to meet strategic affordable housing delivery in accordance with the Local Plan.
  - to accelerate the provision of affordable homes.
  - to improve the environmental standards of Affordable Housing stock and to assist Wiltshire Council in responding to the climate emergency and mitigating climate change.
  - to support the wider aims and objectives of Wiltshire Council.
  - to ensure delivery of affordable homes across the whole of Wiltshire and in both urban and rural areas.
  - A commitment to address issues of affordability and to work with the local authority to maintain provision of rural affordable housing when stock rationalisation is considered.
  - to meet the demonstrable needs of a range of client groups.
  - to ensure high standards of service for occupants of Affordable Housing.
  - to ensure equality of opportunity in all aspects of its housing service.
11. There will be a presumption towards inviting any RP able to demonstrate a willingness to assist in working towards the aims of the partnership to be part of the Wiltshire Development Partnership. There will be no limit of the

number of partner RPs. The Council will reserve the right to interview partners on the basis of their applications but expect all those who apply to meet the standards expected and Council Members will be involved in the selection process. Successful RPs will be asked to sign a Partnership Agreement which will include a commitment to working in accordance with the aims of the partnership.

12. It is anticipated that the partnership will comprise a broad range of partners including larger national and regional RPs and smaller local RPs together with specialist providers. It is intended that RPs will be able to apply to join and leave at any time.

### Monitoring Progress

13. It is anticipated that progress towards achieving the aims of the partnership will be monitored in the following ways:
  - RP partners and the Council's Residential Development team will be asked to provide an annual update to the information already provided on their application form.
  - Monitoring of key performance indicators.
  - Focus on key priorities at quarterly RP Forums
14. In the event of non-compliance with the Partnership Agreement, for example not meeting required standards of performance, members will be asked to enter into discussions with the Council and if matters can't be resolved to the satisfaction of both parties, they may be asked to leave the partnership. Equally, the monitoring process is expected to be two-way with partners using the forum to both absorb and disseminate good practise for the benefit of our customers.

### Partnership Fees

15. RP partners currently pay a fee of £3,500 per year. This fee was originally set in 2011 and hasn't increased since. Any RP partners with stock of less than 3000 are entitled to a 50% reduction in fee. There are currently 12 RP partners including 11 providers with more than 3,000 homes and one with fewer than 3,000. The fees are paid into Wiltshire Council's Enabling Team budget as a contribution towards the cost of delivering enabling services.
16. Over the past five years the number of officers in the Enabling Team has reduced, in part due to the financial constraints of the Council. Despite this the service delivered by the Council's Enabling team to the RPs continues to include the following:
  - Supporting and attending the quarterly RP Forum meetings.
  - Assisting with enquiries on a geographical basis relating to the specific areas covered by the relevant officer and also to provide a link officer for each RP to deal with strategic matters.
  - Providing informal advice relating to housing need and policy issues.

- Acting as the Affordable Housing internal consultee for planning applications, ensuring that the affordable housing proposals are in accordance with policy, meet demonstrable need and to negotiate a design and mix which takes account of RPs concerns and management requirements.
  - Updating RPs on the progress of sites in the planning process through the provision of a quarterly sites list.
  - Liaising with the Council's legal team to negotiate and finalise S106 agreements in line with Wiltshire's Affordable Housing S106 Template, the wording of which is agreed by all partner RPs. Also, to facilitate the completion of other legal documents relating to Affordable Housing matters as required.
  - Providing input into the formulation of planning policy, liaising with the Spatial Planning Team on the Local Plan Review and the proposed AH SPD. Spatial Planning updates are provided at each RP Forum.
  - Facilitating Rural Housing Needs surveys as requested by partner RPs and parish councils. Results of all surveys are shared with the partnership.
  - Assisting and supporting bids for funding.
17. The Council continues to face financial challenges linked to the pandemic and wider economic situation but its commitment to maintaining the enabling service above and where appropriate improve and adapting it in response to the needs of its partners remains.
18. In order to continue to deliver this support to RPs it is proposing to update its partnership fee structure to reflect current circumstances and draw on best practise from the sector. Under the proposals RP partners will be required to pay:
- A one-off admin fee (amount to be agreed) payable at the beginning of each (5 year) partnership term.
  - A per-unit enabling fee for each s106 affordable housing unit payable quarterly. The Council is currently consulting with the RPs on what may be an appropriate level of fee to charge. This will depend to some extent on feedback from current RP partners on the level of service that they would like the Council's Enabling Team to provide, for example whether they would value the provision of additional services such as free pre-app advice.
19. It is anticipated that the requirement for the per unit fee would be included in the Wiltshire Council Affordable Housing SPD and subsequently be a requirement in S106s.
20. This approach would bring Wiltshire Council in line with some of our adjacent local authorities including BANES, South Gloucestershire and Test Valley.

21. Consultations are on-going with the RP partners over the level and scope of fees to be levied.
22. It is also acknowledged that the transition to a per-unit based model cannot take place immediately and discussions are on-going with the RP partners over a phased transition to a fee-based model, with a continuation of an annual fee for a period of time to allow for the per-unit fee basis to be formally enshrined in policy – via the Local Plan and/or Supplementary Planning Document.
23. For those RPs that choose not to join the partnership or that do not meet the criteria set for membership, consideration is being given to requiring these RPs to enter into an appropriate nominations agreement with the Council (something that will be incorporated into the s106 template). By doing this the Council secures the ability to access RP-owned new build accommodation and relets for applicants on the Council's Housing Register, either via a Choice Based Lettings system or some alternative route. Legal advice is being sought on this matter.

#### Duration

24. The term of the current partnership is 3 years. It is proposed that the term of future partnerships will be 5 years to be consistent with the Homes England Programme. A review of the partnership will be undertaken during the final year of the partnership.

#### **Overview and Scrutiny Engagement**

25. The proposed partnership is similar to the established partnership, albeit updated to take account of the council's objectives for affordable housing and drawing on best practice from elsewhere. In this context it was considered that engagement with Overview and Scrutiny would not be required.

#### **Safeguarding Implications**

26. The new partnership model will enhance the council's effectiveness in ensuring the delivery of affordable housing which is a positive determinant in the safeguarding of children, young people and vulnerable adults.

#### **Public Health Implications**

27. The new partnership model will enhance the council's effectiveness in ensuring the delivery of affordable housing which is a positive determinant of public health.

#### **Procurement Implications**

28. There are no procurement implications arising from this paper.

## **Equalities Impact of the Proposal**

29. An Equalities Impact Risk Assessment has been undertaken in developing the proposal in line with the council's equality and diversity policy and responsibilities under the Public Sector Equality Duty. The level of risk assessed was low, and the proposed new partnership model will have a positive impact on removing barriers and inequalities through supporting the delivery of affordable housing within Wiltshire. For these reasons a full Equalities Impact Assessment has not been required.

## **Environmental and Climate Change Considerations**

30. RPs seeking to join the new Partnership will be required to set out their commitment to meeting the partnership aims including improving the environmental standards of Affordable Housing stock and to assist Wiltshire Council in responding to the climate emergency and mitigating climate change .

## **Risks that may arise if the proposed decision and related work is not taken**

31. If authority is not given for the council to enter into a new partnership the existing partnership will cease and the benefits of the partnership as set out above will be lost.

## **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

### **Financial Implications**

32. There are financial implications arising from this report in the respect of the fees model, but they are not considered significant. Currently fees of up to c£40,000 per annum in total are charged to partners to help fund the cost of supporting the partnership. The transition to a fee-based model may lead to the total level of fees changing, up or down, depending on the per-unit fee. This is currently the subject of consultation.
33. The future total income budget is dependent on the per unit fee that is set, and any change is expected to be modest. Any increased income would be available for reinvestment to enable services to support the work of the Partnership in delivering high quality affordable housing in Wiltshire.

### **Legal Implications**

34. Wiltshire Council must draft a robust Partnership Agreement to enter into with Registered Providers, which has been reviewed by Legal Services.
35. Any works undertaken by the Registered Providers for Wiltshire Council as a result of the Partnership Agreement must be procured/tendered in accordance with the requirements of the Council's Constitution, SPH Manual and the Public Contracts Regulations (2015).



36. Cabinet should delegate authority to enter into the Partnership Agreement to an appropriate individual.

### **Workforce Implications**

37. There are no workforce implications arising from this report.

### **Options Considered**

38. The following options were considered in reviewing the Wiltshire Development Partnership:
- No partnership;
  - Continuing with the current partnership arrangements;
  - A change of approach including a more formal approach in the selection of partner RPs, introduction of a monitoring process and an amended fee structure.
39. If the Wiltshire Development did not continue, the benefits of partnership working would be lost. While the current partnership approach creates opportunities to share best practice and adopt a joint approach to problem solving, it is felt that the proposal of a more formal approach to the selection of partners will create an opportunity to re-focus the partnership on the Council's current priorities. Enhanced monitoring will ensure the continued effectiveness of the partnership.

### **Conclusions**

40. Based on the above considerations it is recommended that the Council enters into a new 5 year Development Partnership with Registered Providers which will differ from the current partnership in having an amended fee structure and enhanced monitoring process, and in adopting a more formal approach to the selection of partners.

### **Simon Hendeby (Director - Housing and Commercial)**

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Date of report

### **Appendices**

### **Background Papers**

The following documents have been relied on in the preparation of this report: