

TITLE	Selection of Preferred Registered Provider (RP) Partners
FOR CONSIDERATION BY	The Executive on Thursday, 16 February 2023
WARD	None specific
LEAD OFFICER	Director, Place and Growth - Steve Moore
LEAD MEMBER	Deputy Leader of the Council and Executive Member for Housing - Stephen Conway

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

The delivery of affordable homes is an underpinning principle of the Council's vision. The approval of carefully selected Registered Provider (RP) Partners for the Council will ensure that those RPs delivering affordable housing in the borough via s106 agreements and other land opportunities are aligned to the Council's strategic vision and aspirations. In doing so, this will positively benefit the community through provision of high quality, well-managed affordable homes, with the Council gaining full nomination rights to these homes.

RECOMMENDATION

That Executive is asked to approve the following matters:

- 1) That the following Registered Providers (RP) be approved as Partners for the next three-year period commencing on 1st April 2023, with a further two years subject to satisfactory performance:
 - A2Dominion
 - Aster
 - Housing Solutions
 - Loddon Homes Limited
 - Metropolitan Thames Valley Housing
 - Places for People
 - Silva
 - Sovereign Housing Association
 - Vivid
- 2) To note that performance during the initial partnership period will be assessed by Overview and Scrutiny Committee at the end of the three year period.
- 3) That the Council and the nine RPs enter into a Partnership Agreement. The Agreement will detail expectations and responsibilities and will outline the basis for regular performance monitoring. The agreement will also contain an action plan which all partner RPs will be expected to adhere to.

EXECUTIVE SUMMARY

Until 2008, in line with the Housing Act 1988, the Council acted as an 'enabler' of new affordable housing rather than a direct provider. New affordable housing was developed in partnership with housing associations to provide a continuing supply of homes to

meet local need. We sought to work with a small number of development partners who would offer best value for money, operate consistently high standards of housing management, and add value through use of their own resources and expertise.

The Council has had successful partnership arrangements with Registered Providers (RPs) since 2002 with the current partnership due to end in March 2023. In recent years there has been a significant increase in the number of affordable homes secured, particularly on the Strategic Development Locations (SDLs). This affordable housing delivery programme via Section 106 agreements has been delivered through partnership working with RPs as well as through the Council's own housing company, Loddon Homes. Just under 1700 affordable homes have been delivered over the past 5 years primarily through s106 sites.

A full competitive process has been run to review and renew membership of this partnership arrangement, including a formal application process, formal interviews involving the Lead Member for Housing as well as a presentation to the Affordable Housing Member/Officer Group. A summary of the assessment process is contained within Appendix 1. This process has also included input from the Preferred Registered Provider Task and Finish Group whose recommendations will be reviewed and incorporated where appropriate (an Executive report with recommendations is expected in March 2023).

This report seeks Executive approval for the selection of the nine Registered Providers to partner the Council in the delivery of affordable housing for the next three years commencing on 1st April 2023, with the option of extending the partnership for a further two years subject to satisfactory performance (performance during the initial partnership period to be assessed by Overview and Scrutiny Committee at the end of the three year period). The selection of nine Registered Provider Partners is made on the basis there is considerable housing delivery in the Borough providing ample opportunities for all RP partners and each partner bringing different strengths to the partnership. It also helps to spread both the cost (of purchasing the affordable homes being offered by the developer) and risk across a number of RP partners, all of which can bring significant financial strength. Whilst our housing company is normally the preferred partner for delivery of affordable housing on the Council's own land, the RP Partnership ensures there is greater financial capacity to deliver the substantial numbers of homes coming forward on Section 106 sites.

BACKGROUND

Until 2008, in line with the Housing Act 1988, the Council acted as an ‘enabler’ of new affordable housing rather than a direct provider. New affordable housing was developed in partnership with housing associations to provide a continuing supply of homes to meet local need. This led over time to a very large number of housing associations operating in the borough, with tenants receiving different levels of service, and some of the associations in question having little interest or buy-in to the borough or their local community. We, along with many local authorities, sought to tackle this through running a competitive process to identify a small number of development partners who would offer best value for money; operate consistently high standards of housing management in accordance with what we would expect for our own tenants and add value through use of their own resources, or particular development specialisms.

Consequently, Wokingham Borough Council has operated a successful Preferred Registered Provider Partnership since 2002 to manage and oversee the quality of affordable housing and ongoing housing management services coming forward. Working with a partnership has helped the Council to rationalise the number of Registered Providers operating in the Borough and ensure they have bought into the Council’s vision and values. Whilst the Council is delivering affordable housing itself through its own RP, Loddon Homes, there is still a need for a partnership approach to deliver the level of affordable housing coming forward in the coming years.

The partnership process for 2023 – 2026 involved a change in focus to ensure that the registered providers are accountable for providing a high level of service for all areas of business including tenant engagement, repairs and maintenance, complaints, supporting vulnerable tenants, fuel poverty and sustainability, alongside providing housing delivery to those most in need in the borough (including care leavers, people who are homeless and those with complex needs). A draft of the proposed RP partnership agreement is contained in Appendix 2 (to note this agreement is subject to further change following recommendations from the Registered Provider Task & Finish group). The proposed RP partners have been selected through a full competitive process, which required the successful RPs to demonstrate a high level of commitment to excellent service delivery, financial strength, development expertise and an understanding of Wokingham’s strategic approach and need for affordable housing. All selected RPs hold significant stock within Wokingham Borough or within neighbouring boroughs. A summary of the assessment process is contained within Appendix 1.

The key successes of the previous partnerships include:

- Delivery of just under 1700 new affordable homes in the borough in the past 5 years, primarily through our RP partnership via s106 sites.
- Maximising social rented properties where possible (our policy guide on tenure split is for 70% social rent and 30% shared ownership)
- Successful delivery of Wokingham specific models of affordable housing, such as the shared ownership model of 35% equity share and 1.5% cap on rent on unsold equity
- Establishment of effective relationships with larger stock holding RPs in tackling anti-social behaviour and other tenancy issues
- Commitment from RP partners in terms of delivery of Council strategic objectives, including providing empty shared ownership properties for use as temporary accommodation at the beginning of the covid pandemic

- Supported housing scheme for vulnerable young people at Reading Road which provides seven bedrooms for short term licences (maximum one year) for young people transitioning from care settings into independent living. This site also provides access to support as well as essential life lessons in how to maintain tenancies in the future

BUSINESS CASE

A full competitive selection process was undertaken to select the best RPs to work with the Council to meet local needs. The closing date for applications was 4th July 2022. Nine initial Expressions of Interest were received, and nine formal application forms were sent in within the deadline, of which all were assessed and invited to interview. The RP interviews took place between the 2nd and 15th of November 2022 with the interview panel consisting of the Deputy Leader of the Council and Executive Member for Housing, Chair of the Preferred Register Provider Task and Finish Group, Assistant Director - Economic Development and Growth, Interim Assistant Director of Housing/Specialist Advisor and the Head of Strategic Housing.

All those shortlisted were also asked to do a presentation to the Affordable Housing Member/Officer Group on the 6th and 9th December 2022. Vivid was unable to attend either date and subsequently attended another interview date on the 4th January 2023.

Following interviews, the panel agreed that the following RPs should be selected as RP partners in Wokingham Borough:

- A2Dominion
- Aster
- Housing Solutions
- Loddon Homes Limited
- Metropolitan Thames Valley Housing
- Places for People
- Silva
- Sovereign Housing Association
- Vivid

All nine RPs that attended the interview process demonstrated a high-level commitment to excellent service delivery, financial strength, development expertise, partnership working and an understanding of Wokingham's strategic approach and need for affordable housing. All nine have considerable stock either within Wokingham or within neighbouring boroughs and are therefore well-established landlords within the local area. All are committed to Wokingham's affordable housing policy and specific models of affordable housing, providing a consistent approach to affordable housing delivery. Metropolitan Thames Valley Housing has been an RP partner in Wokingham since April 2002 and a further two (Housing Solutions and Sovereign) since April 2007. They have already demonstrated their commitment to the area as well as an excellent track record for delivery.

The selection of nine RP partners is made on the basis there is considerable housing delivery in the Borough both current and projected, providing ample opportunities for all RP partners. Whilst our housing company is normally the preferred partner for delivery of affordable housing on the Council's own land, the RP Partnership ensures there is greater financial capacity to deliver the substantial numbers of homes coming forward

on Section 106 sites. By having a cascade arrangement within Section 106 agreements the Council is able to stipulate that preferred partners must be approached to bid for the affordable units, although we are unable to be prescriptive about which RP they should work with.

It would be pertinent to spread the cost and risk of large Section 106 requirements by having a range of RP partners. There has also been an increase in housing need for more complex cases including customers with mental health concerns, care leavers and homelessness, which requires a joint working approach with the RP partners. Having a mix of RP partners in place it should be more achievable to deliver the scale and range of affordable housing on their own. It will also decrease the risk of affordable units going outside of the partnership or not being delivered at all with a smaller number of RPs, as developers may exhaust the cascade mechanism options. A partnership approach enables the Council to exercise control and influence over the quality and management of affordable units, as well as the cost of shared ownership, through our own, unique model. The nine RP partners being selected all bring different strengths to the partnership.

It is recommended that the RP Partnership run from 1st April 2023 until 31st March 2026, with the option of extending for a further two years, subject to satisfactory performance (performance during the initial partnership period to be assessed by Overview and Scrutiny Committee at the end of the three year period). It is also recommended that the Council and the nine RPs enter into a Partnership Agreement. The agreement will detail the expectations and responsibilities and will outline the basis for regular performance monitoring.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces unprecedented financial pressures as a result of; the longer term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	N/A	
Next Financial Year (Year 2)	£0	N/A	
Following Financial Year (Year 3)	£0	N/A	

Other Financial Information

Delivery of affordable housing will help the Council's budgets on associated areas such as the provision of temporary accommodation, providing homes for care leavers and other vulnerable young people as well those using Adult Social Care services. Any financial benefits on the Council's budget will be considered as part of the ongoing financial monitoring and setting of the medium term financial plan.

Stakeholder Considerations and Consultation

No stakeholder consultation is required in this instance.

Public Sector Equality Duty
No EqIA is required. The delivery of new affordable housing will positively impact customers of other Council services, including Housing Needs, Adult Social Care and Children Services. The Partnership seeks to provide good quality homes and effective ongoing management.

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
All new affordable housing delivery in the Borough is delivered to EPC rating C or above.

Reasons for considering the report in Part 2
None

List of Background Papers
None

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