

Executive Advisory Board
Executive**On 8th February 2007**
On 20th February 2007Report Title: **RSL Preferred Partners**Report of: **Interim Director of Adult, Culture and Community Services**Wards(s) affected: **All**Report for: **Key Decision****1. Purpose**

- 1.1 The report recommends the selection by the Council of six RSLs (Registered Social Landlords) as preferred partners to deliver the housing development programme and wider strategic and housing aims of the Council over the next 3-5 years.

2. Introduction by Executive Member

- 2.1 This is the final stage of the process that was endorsed by the Executive in the past.
- 2.2 The importance of the RSL sector in our borough has increased dramatically in the recent years; c 50 RSLs are active in the borough, managing c12,000 social housing units (mostly our own nominations) and, having secured the biggest Development funding allocation in London (c£90m in 2006/08), we are expecting the sector to provide an extra c1,200 social and affordable housing units in the next two years. It is therefore imperative that we develop new mechanisms for closer co-operation with the sector, recognising its size and significance.
- 2.3 The initiative has been consulted with local RSLs, the Housing Corporation and other stakeholders. It is designed to enable us as an authority and as a borough to have a more strategic approach to the growing in importance issues of new Housing Developments, TA reduction and concerns about housing management standards across sectors.

3. Recommendations

- 3.1 That the Board approves the selection of six named RSLs set out in paragraph 8.1 as its preferred partners.

Report Authorised by: **Jim Crook, Interim Director of Adult, Culture and Community Services**

Contact Officer: Rupert Brandon (ext 4890)

4. Executive Summary

- 4.1 The report sets out the process by which a number of RSLs have been selected for recommendation as preferred partners. The need for RSL preferred partners was agreed at Chief Executive Management Board on 28th February 2006 with a recommendation that a report be brought back to Members for final approval.
- 4.2 Six RSLs are being recommended on the basis of a scored questionnaire, interviews and site visits.
- 4.3 Preferred partners will sign a protocol with the Council that sets out standards of performance but also the joint aims and objectives of all parties in meeting housing need in Haringey.

5 Reasons for any change in policy or for new policy development (if applicable)

- 5.1 There are nearly 50 RSLs with stock holdings in Haringey and a third of these have developed new homes in Haringey in recent years. The Housing Corporation has a formal structure of preferred development partners to undertake the current two year grant funded programme (2006-8) and its recent consultation document on Future Investment strongly points to future grant funded programmes being limited to a relatively small number of preferred partners.
- 5.2 Haringey can more efficiently direct its resources by adopting similar arrangements on delivery of new housing development by focusing on a group of preferred partners. Such a strategic approach will enable a stronger working relationship to evolve with a smaller group of dedicated developing associations in Haringey and provide incentives for them to improve their services as landlord and play a wider role in community initiatives in Haringey. The successful parties will devise and agree a protocol with the Council covering such issues as delivery of the development programme, promotion of positive working relations between the RSLs and the Council, performance expectations for example in tackling local and neighbourhood problems ,and ways to resolve disputes between the parties.
- 5.3 RSLs that are not selected will still have an important role to play as landlords in the Borough. They will not be ruled out of future development as up to 20% of the new programme each year might be set aside for special initiatives. Smaller, specialist and BME associations or those seeking occasional development opportunities will be encouraged to channel their new housing projects through one of the selected RSLs.

6 Local Government (Access to Information) Act 1985

6.1 [List background documents]

6.2 [Also list reasons for *exemption or confidentiality (if applicable)]

7 Background

- 7.1 The Chief Executive Management Board agreed on 28 February 2006 to proceed with a process leading to the selection of RSL preferred partners. All housing association landlords were invited to a consultation event on 13 March and an independent consultant was engaged to devise the selection process and then be part of a cross-department Assessment Panel to consider the submissions from the RSLs.
- 7.2 Sixteen submissions were received from RSLs by the closing date of 30 May. These were scored individually and weightings applied in respect of development delivery (50%), landlord performance (20%), community and neighbourhood investment (20%) and organisational effectiveness (10%).
- 7.3 From the sixteen submissions, six RSLs scored more than 50% of the maximum potential scores allocated against the questionnaire. A second stage in the selection process was held with Member involvement. The RSLs in seventh and eighth place scores from Stage 1 and two of the top six RSLs were the subject of visits, interviews, and informal presentations. From stage 2 it was agreed the top six RSLs be recommended as preferred partners; the two RSLs in seventh and eighth place did not impress sufficiently to recommend them for preferred partner status

8 Description

- 8.1 Appendix 1 shows the sixteen RSLs who made submissions in the order of highest scores. Information is also provided on stock holding in Haringey for each RSL and whether they have received Corporation grant in 2004/6 and/or the current two-year programme for 2006/8. This shows which of the RSLs can consider selection as preferred partner as a continuation of support for the programme from 2008 onwards. It also shows those RSLs with funding allocations to spend in Haringey but who are not recommended for support for the 2006/8 programme. There is clearly an issue here in terms of a need to work very closely with disappointed RSLs to deliver those allocations rather than some of these being moved elsewhere within the sub-region.
- 8.2 The six highest scores were recorded by the following: Circle Anglia, London and Quadrant, Metropolitan Housing Group, Presentation, Servite Houses, and the recently merged Family Mosaic Group. Four of these housing associations are major volume developing housing associations in the north sub-region, one is the largest BME in London in terms of stock and current allocation, and Servite are a smaller scale developer with a positive emphasis on working in Haringey. These six RSLs are landlords for over 40% of the housing association stock in the Borough.
- 8.3 If Members support selection of these six RSLs, officers are satisfied that the full spectrum of housing needs can be met in ongoing new development programmes (including affordable housing for the homeless and general needs, homebuy, intermediate housing, and special or supported housing). Several of these associations have previously acted as development agent for smaller or specialist organisations in Haringey, and have active working relationships with several RSLs

who are not being recommended for selection as full preferred partners in this exercise.

8.4 A robust performance management and monitoring system will be put in place.

9. Consultation

9.1 The selection process has been undertaken in consultation with the Housing Corporation, the sub-region, and all housing association landlords in Haringey. Comments at the consultation event on 13 March have been absorbed in the drafting of the questionnaire and selection criteria. The Housing Corporation have been asked for their views on the recommended list and their comments will be provided in due course.

10. Summary and Conclusions

10.1 This report recommends selection of six named RSLs to be preferred partners in Haringey. Whilst there is no ideal number for preferred partners, selection of less than six in Haringey might reduce competition, induce complacency, and result in a reduced output in terms of annual programme delivery. On the other hand, too many preferred partners would be a contradiction in terms and would fail to achieve the focus and efficiency in resources that should flow from concentration of programme in a tighter group of key developing RSLs.

10.2 The Assessment Panel are satisfied that the six recommended RSLs are capable of delivering the majority of the new development programme over the next 3-5 years and also that feedback to those RSLs not recommended for selection can be provided to encourage them about the possibility of achieving preferred partner status in the future as the arrangements evolve in practice. In this regard, it would be desirable to hold open the prospect through ongoing review of landlord, and other performance, of an RSL being able to become a preferred partner through selection or as a replacement for a non-performing preferred partner (in each case subject to Member decision to that effect).

11. Recommendations

11.1 That the Board approves the selection of the six named RSLs as preferred partners as set out paragraph 8.1 in the report.

12. Comments of the Head of Housing Finance

12.1 The proposed partnering arrangements will achieve the following:-

- It will maximise the spend of allocations from the Housing Corporation
- It will maximise the number of units brought into use
- It will allow the Council to focus its limited resources in monitoring the performance of the few selected partners rather than considering all the activity spread across the Borough.
- The rationalisation process will also lead to a much simplified bidding process.

12.2 Housing Corporation funding is likely to be directed at the preferred partners selected, with 20% set aside for non partner specialist, innovative schemes.

13 Comments of the Director of Finance

- 13.1 The report in its self does not commit the Council to any expenditure. The report recommends narrowing the numbers of partnerships to a manageable 6 RSL's.
- 13.2 The programme for the numbers of affordable homes that are built within Haringey will depend on the amount of resource the RSL's will attract from the Housing Corporation and any assessed requirement for additional resources from the Council depending on the particular scheme.

14 Comments of the Head of Legal Services

- 14.1 In selecting the preferred partners the Council is adhering with the way the Housing Corporation wishes to select preferred development partners in London for its longer term programme of investment activity. The Housing Corporation has outlined some principles which will assist the determination of which RSL will be eligible for long term investment programme. The presumption on carrying out development activity will be through an RSL from the preferred list of partners in the first instance. However, an element of the investment programme will be protected for non-preferred partner projects. This will enable small BME organisations to be funded outside of volume programmes. In addition, BME associations activity will continue through direct support if certain criteria are met and through indirect allocation where they are not the lead developer.
- 14.2 Care must be taken that any change in policy given in paragraph 5.2 does not result in a two tiers approach on the provision of housing within the Borough. In addition, those selected will be required to agree a protocol and those who haven't been selected being left out. This may result in a deterioration of the working relationships with those other RSLs who have not been selected but still operating within the Borough . Officers must make sure that the standard required under the protocol also applies to those RSLs.

15 Equalities Implications

- 15.1 The preferred partners will be the selected parties to deliver a large programme of new development over the next 3-5 years. Up to 20% of the programme will be transferred to BME organisations.
- 15.2 We are satisfied that directly, or indirectly, the preferred partners can meet the needs of BME households, and of women who make up a majority of the heads of household of new tenancies, and meet the needs of people with disabilities. Specialist agencies will usually work with the preferred partners, but there will be scope to consider proposals from non-selected organisations.

15 Use of Appendices / Tables / Photographs

- 15.1 Appendix 1 shows the scores and placings in order for the sixteen RSLs who completed the Stage 1 questionnaires. This Appendix also shows their stock of housing for rent where they act as a key landlord in Haringey and their status as a preferred partner or not with the Housing Corporation.

APPENDIX 1

RSL PREFERRED PARTNERS

Name of RSL	Position	Score	Rented stock in Haringey	Housing Corporation Preferred Partner	Corporation Allocation in Haringey 2004/06	Corporation Allocation In Haringey 2006/8
Circleanglia	1	220	1402	yes	yes	yes
Metropolitan	2	210	1507	yes	yes	yes
London +Quadrant	3	197	1484	yes	yes	yes
Presentation	4	189	273	yes	yes	yes
Servite	5	183	27	yes	yes	no
Family Mosaic	6	166	700	yes	yes	yes
Community	7	150	98	yes	no	no
Genesis	8	148	150	yes	Yes*	yes
Sanctuary	9	142	685	no	no	yes
Christian Action	10	129	100	no	no	no
Newlon	11	123	236	yes	yes	yes
Hornsey	12	118	221	no	no	no
Dominion	13	106	13	yes	no	no
Kush	14	102	110	no	no	no
Network	15	93	53	no	yes ~	no
Ujima	16	77	319	yes	yes	yes

Notes: ~ as Stadium
* as PCHA